S. Hrg. 98-1017

OVERSIGHT OF OPERATING ENGINEERS, 1984

HEARINGS

BEFORE THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

REVIEW OF ALLEGATIONS OF CORRUPTION IN THE INTERNATIONAL UNION OF OPERATING ENGINEERS, INVOLVING LOCAL 406 IN LAKE CHARLES, LA., AND LOCAL 18 IN CLEVELAND AND TOLEDO, OHIO

FEBRUARY 28, 29, AND MAY 22, 1984

Printed for the use of the Committee on Labor and Human Resources

U.S. GOVERNMENT PRINTING OFFICE
34-075 O WASHINGTON : 1984

S541-65

COMMITTEE ON LABOR AND HUMAN RESOURCES

ORRIN G. HATCH, Utah, *Chairman*

ROBERT T. STAFFORD, Vermont
DAN QUAYLE, Indiana
DON NICKLES, Oklahoma
JEREMIAH DENTON, Alabama
LOWELL P. WEICKER, Jr., Connecticut
CHARLES E. GRASSLEY, Iowa
JOHN P. EAST, North Carolina
PAULA HAWKINS, Florida
STROM THURMOND, South Carolina

EDWARD M. KENNEDY, Massachusetts
JENNINGS RANDOLPH, West Virginia
CLAIBORNE PELL, Rhode Island
THOMAS F. EAGLETON, Missouri
DONALD W. RIEGLE, Jr., Michigan
HOWARD M. METZENBAUM, Ohio
SPARK M. MATSUNAGA, Hawaii
CHRISTOPHER J. DODD, Connecticut

RONALD F. DOCKSAI, *Staff Director*
KATHRYN O'L. HIGGINS, *Minority Staff Director*

CONTENTS

STATEMENTS

Tuesday, February 28, 1984

Page
Alexander, Cheryl 35
Barr, Gene 98
Blackwell, Ann Malinowsky 139
Confidential witness 28
Green, Janice Maxey 89
Johnson, Truman 230
Sylva, John 93
Thurmond, Hon. Strom, a U.S. Senator from the State of South Carolina 25
Tynes, Maurice, attorney, Lake Charles, LA 9
    Prepared statement 15

Wednesday, February 29, 1984

Fadel, William, attorney-at-law, on behalf of local 18, International Union of Operating Engineers, Cleveland, OH 298
Gard, Stephen W., professor of law, Cleveland-Marshall College of Law, Cleveland, Ohio 300
    Prepared statement 306
Murphy, William F., member, local 18, International Union of Operating Engineers, Orwell, OH 352
    Prepared statement 356
Shimman, Barbara, prepared statement 368
Shimman, Ervin, member, local No. 18, International Union of Operating Engineers, Toledo, OH 326
    Prepared statement 369
Trott, Stephen S., Assistant Attorney General, Criminal Division, U.S. Department of Justice, accompanied by Floyd I. Clark, Deputy Assistant Director, Criminal Investigative Division, Federal Bureau of Investigation; and Gerald A. Toner, Attorney, Organized Crime and Racketeering Section, Criminal Division 240
    Prepared statement 243
Tynes, Maurice, attorney-at-law, Lake Charles, LA 292
    Prepared statement (with letter) 293

Tuesday, May 22, 1984

Doux, James Lee Le, Jr., operating engineer, local 406, Lake Charles, LA 536
Fruge, John, carpenter and supervisor for Loftin Construction Co., local 953, Lake Charles, LA 521
Grassley, Hon. Charles E., a U.S. Senator from the State of Iowa, prepared statement 383
Lovett, Charles, operating engineer, local 406, Lake Charles, LA 433
Richard, Elmer J., Lake Charles, LA 457
Thurmond, Hon. Strom, a U.S. Senator from the State of South Carolina 383
Tynes, Maurice, attorney, Levingston, Tynes, Liles & Milam, Lake Charles, LA 384
    Prepared statement (with addendum) 388

ADDITIONAL MATERIAL

Page

Affidavits:
- Rowsey 135
- Savoie 138

Articles, publications, etc.:
- List of individuals that were paid for hours that they did not work 436

Communications to:
- Hatch, Hon. Orrin G., a U.S. Senator from the State of Utah, from Robert A. McConnell, Assistant Attorney General, Office of Legislative Affairs, U.S. Department of Justice, March 9, 1984 (with enclosures) 257

Documents:
- Gulf States documents:
  - No. 1 374
  - No. 2 375

Exhibits:
- Senate Hatch exhibits Nos. 1 and 2 4
- Blackwell exhibits:
  - No. 1 142
  - No. 2 144
  - No. 3 146
  - No. 4 152
  - No. 5 156
  - Nos. 6 through 8 165
  - No. 9 169
  - No. 10 195-203
  - Nos. 11 and 12 207
  - No. 13 226
  - No. 14 229
- Janise exhibit:
  - No. 1 132
- Barr exhibits:
  - Nos. 1 and 2 101
  - Nos. 3 and 4 105
  - Nos. 5 through 20 109
  - No. 21 129
- Taliaferro exhibits:
  - No. 1 43
  - Nos. 2 and 3 46
  - No. 4 50
  - Nos. 5, 6, and 7 64
  - Nos. 8 and 9 86
- Shimman exhibits:
  - No. 1 327
  - No. 2 329
  - No. 3 332
  - No. 4 340
- Tynes exhibit:
  - No. 1 399
- Lovett exhibit:
  - No. 2 442
- Atkins exhibit:
  - No. 1 492

Legal cases:
- *United States* v. *Robinson* 266
- *United States of America* v. *Marvin Mattson and Edward F. Greene* 272
- *United States* v. *Hanigan* 278

Tables:
- Pullman Torkelson Co., purchase orders for equipment 470

OVERSIGHT OF OPERATING ENGINEERS, 1984

TUESDAY, FEBRUARY 28, 1984

U.S. Senate,
Committee on Labor and Human Resources,
Washington, D.C.

The committee met, pursuant to notice, at 9:32 a.m., in room SD-430, Senator Orrin Hatch (chairman of the committee) presiding.

Present: Senators Hatch and Thurmond.

OPENING STATEMENT OF SENATOR HATCH

The Chairman. I am happy to call this committee meeting to order.

Today we resume what has become a 2-year series of hearings into the misuse of power by certain labor union officials and the apparent inability of the Federal Government to protect adequately the livelihood and interests of rank-and-file members victimized by this abuse.

Needless to say, these hearings are distressing for all involved. The rank-and-file witnesses who will testify risk retaliation and ostracism; the Federal agencies, under the existing division of authority, are clearly unable to address all of the problems brought to their attention; and there is constant and continual pressure placed on this committee to postpone our inquiry.

But I will continue this series of hearings until it can be determined, once and for all, whether these problems can best be remedied by improved administration of our executive agencies or whether new legislative approaches are needed.

Over the last 2 years, we have heard repeatedly from union members that the hiring hall process is ripe for abuse, that members can be routinely subjected to discrimination. Moreover, they contend that the existing legal system cannot provide effective or timely relief.

Often, the risks—be they loss of work, blackballing, or placing one's life in jeopardy—are so great and the potential relief so illusive that workers are unwilling to fight a corrupt system. Any correction of the existing system will not only have to insure integrity and honesty of the referral system, but also provide the means for immediate relief where discrimination occurs.

This morning we will begin 2 days of hearings on allegations of corrupt acts and unfair labor practices by officials of certain locals of the International Union of Operating Engineers. This union supplies operators for heavy equipment such as cranes and bulldozers at construction sites.

A year ago, I directed our staff to undertake an oversight inquiry into this union's activities, after we had heard testimony from a former U.S. attorney in Miami that a planned undercover operation against an operating engineers' local in Florida was canceled because of the strike force's inability to protect its unarmed labor agents.

That particular local was being investigated for its alleged involvement in destruction of equipment owned by nonunion contractors. Our investigation ultimately focused on allegations of a widespread pattern of corruption within Operating Engineer's Local 406 in Lake Charles, La., and on allegations of a longstanding pattern of unfair labor practices by Operating Engineers business agents in Cleveland and Toledo, Ohio.

Witnesses for today's hearing and for part of tomorrow's will testify about the local in Lake Charles, an area with a long and unhappy history of labor violence and corruption. They will address such topics as coercion of cash payments from members for the business manager's enrichment, alleged extortion and sabotage of a Government contractor's equipment and the misuse of the business aqent's authority over job referrals, including the requirement of sexual favors from one female operating engineer.

Tomorrow we will hear the Justice Department's testimony regarding its handling of these allegations, which have been brought to the Department's attention, and its plan, if any, for acting on the new information we will hear today.

We will also hear testimony from two rank-and-file operating engineers and a law professor from Ohio, who will discuss their difficulties in getting Operating Engineers Local 18 to comply with the union hiring hall requirements under existing law and what these witnesses consider to be the inadequacy of the remedies currently available.

Some observers believe hiring hall practices to be an insignificant subject, but in fact they are of vital importance. As we learned in the boilermaker hearings, hiring hall practices control the livelihood of the worker and his family. A corrupt system in which business agents who refer their cronies or other favored workers out of sequence on the out-of-work list is no different from robbery. The victimized worker is having his opportunity for income stolen by those who pretend to be protecting his needs.

This is a topic that I intend to spotlight during these hearings and others until I am confident that we have a system that is working fairly and efficiently.

I regret that the business agent of the Lake Charles local, Mr. Willard Carlock, Sr., has declined my invitation to testify today. It is important that all parties involved have an opportunity to be heard, and we had hoped that both sides to this dispute would be willing to testify before the committee.

According to Mr. Carlock's attorney, his refusal is based on his concern that his testimony might prejudice current litigation in which he is involved. As a lawyer, I can understand his concern, but as the chairman of a committee looking for the best means for resolving these problems, I am disappointed by his decision.

At this point I will place into the record as Hearing exhibits No. 1 and 2 my letter inviting Mr. Carlock to testify and a letter from

Mr. Carlock's attorney dated February 21, 1984, declining my invitation.

[Senator Hatch exhibits No. 1 and 2 follows:]

January 30, 1984

Mr. Williard S. Carlock, Sr.
Business Agent, Local 406 Operating Engineers
130 West 18th Street
Lake Charles, Louisiana 70601

Dear Mr. Carlock:

On February 28 and 29, 1984, the Committee on Labor and Human Resources will hold hearings on allegations of corrupt acts on the part of officials of locals of the International Union of Operating Engineers. This is to formally invite you to appear as a witness at both of these hearings.

Allegations of illegal acts on your part have been raised with the Committee staff by rank and file members of your local and will be discussed at the February 28 hearing. The hearing will get underway at 9:30 a.m. in Room SD-430 of the Dirksen Senate Office Building.

Please contact Mr. David Rawlings of the Committee Staff at 202-224-9285 at your earliest convenience for a briefing on these allegations.

Your cooperation in this matter is greatly appreciated.

Sincerely,

Orrin G. Hatch
Chairman

COPY

OGH:jps

Exhibit no. 2

BARKER, BOUDREAUX, LAMY, GARDNER AND FOLEY
(A Law Corporation)
1400 RICHARDS BUILDING
837 GRAVIER STREET
NEW ORLEANS, LA. 70112
(504) 586-9395

HAROLD J. LAMY
WILFRED H. BOUDREAUX
JERRY L. GARDNER, JR.
DANIEL B. FOLEY
LOUIS L. ROBEIN, JR.
MARIE HEALEY
LAWRENCE A. ARCELL
ROBERT H. URANN
JOHN H. BUTLER, II

THOMAS J. MEUNIER
(1897-1967)

C. PAUL BARKER
(1913-1980)

February 21, 1984

Mr. James Phillips
United States Senate
Committee on Labor and Human Resources
Washington, D. C. 20510

Dear Mr. Phillips:

This letter is to confirm our conversations of last week and to set forth the position of Local 406, International Union of Operating Engineers with respect to presenting Willard S. Carlock, Business Agent, to testify before the Senate Committee on February 28, 1984.

The matters you raised that are the subject of inquiry before the Committee have also been raised in various lawsuits filed in the Western District, Lake Charles Division of Federal District Court. The following is a summary of the pending cases and the various jurisdictional allegations in issue:

1. Mar-Len of Louisiana, Inc., et al vs. Willard S. Carlock, Sr., et al,
   Civil Action No. CV83-1840
   Jurisdiction: Racketeer - Influenced and Corrupt Organizations Act,
   18 U.S.C. §1964
   Filed: July 28, 1983

2. Howard Taliaferro vs. Willard Carlock, Sr., et al
   Civil Action No. CV83-0388
   Jurisdiction: 29 U.S.C §151 et. seq.
   29 U.S.C. §411, 431, 432,
   29 U.S.C. §501, 529, 530
   Filed: May 5, 1983

3. Howard Taliaferro and Robert Guidry vs. Willard Carlock, Sr., et al
Civil Action No. CV83-1211
Jurisdiction: 29 U.S.C. §151 et. seq.
29 U.S.C. §401
Filed: May 17, 1983

4. Robert Guidry vs. Willard Carlock, Sr., et al
Civil Action No. CV83-1141
Jurisdiction: 29 U.S.C §151 et. seq.
29 U.S.C. §411, 431, 432,
29 U.S.C. §501, 529, 530
Filed: May 11, 1983

5. Creel, Hatch and Johnson vs. Willard Carlock, et al
Civil Action No. CV83-1042
Jurisdiction: 29 U.S.C. §401 et. seq.
Filed: April 29, 1983

To date, Robert Guidry, Howard Taliaferro, John Creel, Jerry Hatch, Truman Johnson, Ann Blackwell (Mar Len) and the attorney for Taliaferro, Guidry and Blackwell, Maurice Tynes,[1] have been deposed. In the Creel, et al cases, Willard Carlock, Sr. and C. J. Laird have been deposed. Additional discovery in the form of interrogatories and requests for the production of documents were served on plaintiffs in the Taliaferro and Guidry cases beginning in September of 1983 and continuing to date. However, to date, no responses have been received and no reason given for plaintiffs' refusal to comply. A motion to compel answers and for imposition of sanctions pursuant to Rule 37 of the Federal Rules of Civil Procedure has been filed by defendants in Federal District Court. No discovery has been instituted by plaintiffs in Cases Nos. CV83-1840, CV83-0388, CV83-1211 and CV83-1141. Perhaps Mr. Tynes and the plaintiffs are using your Committee as a discovery vehicle in this matter.

---

[1] Mr. Tynes' deposition was taken only because Taliaferro and Guidry repeatedly deferred to Mr. Tynes as the source of the information they possessed. Unfortunately, Mr. Tynes shed little light on the issues, but promised to furnish names and documents to support plaintiffs' contentions. To date, none of this information has been forthcoming. However, the Union has no objection to providing your Committee with copies of any information received in these cases, including copies of all of the depositions taken to date.

The allegations you raised regarding the Strategic Petroleum Reserve Project in West Hackberry, Louisiana and the Maplewood Drive project are alleged in the Mar Len Complaint (CV83-1840). Moreover, the alleged discriminatory operation of the hiring hall in the Lake Charles district by Willard S. Carlock is an integral part of the lawsuits in cases Nos. CV83-0388, CV83-1211, CV83-1141 and CV83-1042. Furthermore, the charge that Mr. Taliaferro and others have been denied work referrals on a discriminatory basis was the subject of an unfair labor practice charge filed with the National Labor Relations Board in 1981 in Case Nos. 15 CB 2544, 2545. The charges were subsequently dismissed as lacking merit by the Board's Fifteenth Regional office and an appeal to the General Counsel of the NLRB was denied in 1982. Other charges have been filed with the NLRB by other individuals from the Lake Charles district of Local 406[2] including Mr. Guidry over the last few years, but all have been dismissed or withdrawn after an investigation.

Finally, it is my understanding that the third contention concerns an alleged legal defense fund established as a result of an Ellender Bridge incident, and the alleged requirement that persons were required to contribute to the Fund in order to obtain and maintain employment. It is our appreciation that this matter was the subject of an FBI investigation some years ago, and one in which the Lake Charles district of Local 406 and Willard S. Carlock fully cooperated with FBI agent, Steve Ek, by furnishing all documents and information requested. We believe those cases have now been closed. Moreover, although such an allegation has not been specifically pleaded in any of the pending lawsuits, the complaints involving referral and employment discrimination are broad enough to encompass, in our opinion, such a charge.

Therefore, I regret that Mr. Carlock will be unable to voluntarily testify at the Committee's hearing as long as these complaints are pending in federal court. If for any reason these lawsuits are dismissed or withdrawn, Mr. Carlock will be urged to appear and fully cooperate with the Committee.

---

[2] Local 406 is a statewide labor organization (Louisiana) with District offices in New Orleans, Baton Rouge, Lafayette, Lake Charles, Alexandria/Monroe and Shreveport, Louisiana. Each District operates under different collective bargaining agreements.

I trust you will understand from the above background why Mr. Carlock cannot testify at this time. However, if we can furnish any information regarding matters that may have been the subject of NLRB charges or other investigations, please advise.

Sincerely,

Jerry L. Gardner, Jr.

Jerry L. Gardner, Jr.

JLG:ss

The Chairman. Our first witness today is Maurice Tynes, an attorney from Lake Charles, who will provide an overview of today's expected testimony and a background sketch of labor violence in the Lake Charles area.

We are happy to welcome you to the committee, Mr. Tynes, and you can proceed at this point.

STATEMENT OF MAURICE TYNES, ATTORNEY, LAKE CHARLES, LA.

Mr. Tynes. Thank you, Mr. Chairman.

For the record, to you and the members of the committee, we certainly appreciate the opportunity of speaking before the committee this morning.

The subject of this hearing, which is corruption on the part of local union officials of the Operating Engineers, is of vital importance to many people. It is of absolutely critical importance to the rank-and-file membership of this union.

Since the Operating Engineers Union has no monopoly on corrupt business agents, and since we assume this committee is seeking a legislative solution to the problem, we can emphatically state that this hearing, and other hearings like it, and the action—or, in fact, failure to act—on the part of this committee may well be the last hope of the rank-and-file membership of all our unions with corrupt local officials.

The plain fact is, when it comes to what can be done about a corrupt business agent, the rank and file have essentially no voice, no spokesman, and no effective remedies. If they did, we would not be here today.

The union lawyers actually are hired by the business agents and have their individual interest foremost in mind. It is common for union lawyers, for example, to represent the business agents on personal matters free of charge; not so as to rank-and-file members.

Executive boards, to whom a member might appeal on intraunion grievances, are composed of business agents who protect each other. Even where a local membership meeting acts on an individual's case, the meeting is stacked by "friends" of the business agent. In fact, when the member persists in objections to the business agent, he is often branded a "radical," a "dissident," or simply "disloyal," and then is left an outcast.

In short, the rank and file are crying out desperately to you, the lawmakers, who have their destiny in the balance. The unionism that traditionally was a way of life for many of our citizens is now only a way of economic death.

We come before you humble in the hope you offer, enthusiastic for the cause we advocate, and confident our pleas will not fall on deaf ears.

I have been a practicing lawyer in Lake Charles for some 17 years. In 1975–76, I drafted nine trust agreements for the Carpenters, Bricklayers and Insulators' Unions after ERISA was enacted. Thereafter, for many years I represented their pension, health and welfare, and apprenticeship trust funds. I have represented both labor and management in labor disputes. I have served as criminal defense counsel in certain criminal actions arising out of labor disputes.

Now, while I am not a labor law expert, Mr. Chairman, I am very aware of what is happening in my corner of the world with regard to the subject of this hearing. My purpose, therefore, is to give you an overview of the situation as it exists with the International Union, Local 406, in southwest Louisiana.

Mr. Carlock, whom you mentioned in your opening statement, has labeled me "antiunion." A more correct label would be "anticorrupt business agent" or "prohonest rank-and-file member." Thus, you have my perspective, and my bias has been declared.

Of course, I am here primarily to discuss 406 and their business agent. Before discussing them specifically, a little background on the union may prove helpful.

Local 406 is a bit different from other trade union locals, since it is organized on a statewide basis. Its State office is in New Orleans, with six district offices scattered in our State. The statewide office is administered by a business agent named Peter Babin, who is elected by the statewide membership on, I think, a 4-year basis, and also a president who is elected likewise.

Each district office is then managed by one or two assistant business agents who are hired by the State officials, not elected by the local membership; that is, the membership of the local. And, of course, in most other unions the union hall in a given local is run by a business agent elected by the members who attend that hall. Thus, we see in local 406 the business agent most directly in control of the affairs of the rank-and-file member is not even elected by such a member, and therefore the allegiance of such a business agent is directed away from the individual member, not toward him.

In addition, the statewide business agent, once elected, has enormous advantage from incumbency. In fact, the current State business agent succeeded his father in office. This remoteness factor operates to the detriment of the rank and file.

In the 406 collective bargaining agreements, an exclusive hiring hall is in effect. This means that members may not solicit work as an operator outside the hall, and contractors must always use the hall to employ their workers. The exception to this is where a particular member, having been originally referred by the union to the contractor, becomes a key employee and may, under certain rules, be name-requested by the contractor.

Operating Engineers ordinarily have jurisdiction over and operate heavy construction equipment such as cranes and bulldozers. Consequently, on any major construction or pipeline job, these men are in direct control of very expensive equipment and are very important to a productive, smooth, and efficient completion of the entire job.

The International Union allows the local union to affiliate with it, and in return the International is given certain authority over the local. However, the local cannot legally—cannot legally—obligate the International to compensate a local member mistreated by the local or by a local official. Essentially, the International is interested only in whether the local has its financial affairs in order, and the individual members are left to the local, notwithstanding grievance procedures allowing appeal to the International.

The politics of this situation are obvious and, needless to say, again, do not operate in favor of the rank-and-file member but, rather, again, in favor of the business agent.

The CHAIRMAN. Mr. Tynes, I wonder if I could get you to summarize the remaining part of your statement. We do have it. It is an excellent statement, but if you could do it in about 5 minutes, it would help us to move along here.

Mr. TYNES. I would be happy to.

The CHAIRMAN. Thank you.

Mr. TYNES. There is currently pending in Louisiana litigation mentioned by Mr. Carlock and his attorney. The litigation is by a number of union members, and there is more to come on the same basis, which is hiring hall discrimination, conflict of interest, the operation of businesses by Mr. Carlock as well as extortion involving these members. We also have him named as a defendant in racketeer influence and corrupt organization allegations.

In all of these areas, Mr. Carlock as a defendant has done his best to get us out of court on pre-trial motions and, to date, has been unsuccessful.

I noted your statement that he declined your invitation. His absence is very noteworthy, as well as his excuse for being absent. We feel that his absence speaks very loudly and eloquently for our position in this matter. We feel if he has something to hide, he had best stay home and keep it hidden. If he has the truth to tell and he is in litigation, he can come tell the truth here; in court he can go tell the truth; and if he has got the truth to tell, it should be consistent.

I am a lawyer, and I have no way I can understand his absence based upon the committee's purposes in having this hearing.

I am also concerned deeply by the absence of Senator Kennedy and perhaps other committee members who have been champions of labor. In Lousiana, the State AFL-CIO leaders hold Mr. Kennedy's political philosophy and always have since the days of JFK. If the Louisiana labor leaders have been in touch with any members of this committee, Senator Kennedy included, concerning the Carlock 406 hearings, as I must assume they have been when you made your statement that you have had some opposition and some attempts to postpone these hearings, then we draw a certain conclusion from that.

In particular, I wanted to throw the gauntlet down to Senator Kennedy and others like him who call themselves champions of labor and ask them to pick it up as champions of the rank-and-file membership, not the champions of the State AFL-CIO leadership and not as champions of the business agents such as Mr. Willard Carlock.

We have mentioned in passing these three areas that you mentioned in your opening statement, so I will move to a summary on each of the areas to be inquired in by the committee, at your request.

In the hiring hall discrimination field, obviously there are many ways this is done. The most common form is simply referring a member out of turn. Also, a form that is in widespread use in our area is to blacklist, to blackball a member and then continue to jump over him for work, so that in effect he is not permitted to carry out his livelihood in his chosen field.

Another form that is equally hard to police is where the business agent simply gives people work who are not on the list, never have to be on the list. This is done at all hours of the night and day in remote areas or whatever is necessary to get this done. Certainly, additional evidence, at the reguest of the committee, can be produced on that.

The other area of concern in addition to the hiring hall discrimination, of course, is forced contributions of money. We have numerous cases of that having gone on for years. The pattern is set, and there is adequate evidence to be placed before this committee of that having happened. This, to me, is almost more serious than hiring hall discrimination because a person who has a right ought not, in addition, have to pay for exercising that right, and that is what has been made to happen by Mr. Carlock and his cronies in Lake Charles.

In some cases, peer pressure is used to insure these contributions. For example, a union steward who may be a favorite of the business agent canvasses the hands on the job, telling them that they owe their job to the business agent. This is particularly effective with the younger, newer members, as opposed to the ones there 20, 25, 30 years.

In fact, it is the business agent who owes his job to the rank and file. The principle "He who giveth may also taketh away" is made plain to those who hesitate to contribute.

The third area concerns actions involving contractors. We are very concerned because of this particular ability on Mr. Carlock's part, and he knows how to exercise it. We have filed litigation over this and we expect that to be reaching court as soon as possible.

The extortion as defined in the criminal law may be the most he is guilty of, but, at the least, he is guilty of conflict of interest as defined by the Labor Management Reporting and Disclosure Act, because he has forced equipment rentals from him personally, from a company his son owned, or from a company with whom he has been associated.

The point here is, if he were not in control of the hiring hall, he could not discriminate. If he were not in control of the hiring hall, he could not force contributions. If he were not in control of the hiring hall, he could not successfully extort contractors, nor could he successfully exercise his conflict of interest to his profit and gain.

Another practice that we are concerned about not directly mentioned is "ghosting," where a person doesn't show up for work but is made by Mr. Carlock to receive a paycheck by extortion efforts toward the contractor. In Lake Charles, you might say we have about every example of extortion and wrongful conduct toward contractors you can point down.

Obviously, the economic impact of this is enormous. The impact of a corrupt business agent has a multiple effect and goes on and on and on. When national contractors come to Lake Charles and suffer what Mr. Carlock deals them, they scatter to the four winds across this Nation, and they don't hesitate to tell about it.

We think that because of this impact, the committee ought to look beyond Lake Charles; it ought to look beyond Toledo, Ohio, and beyond Miami, Fla., and look to the Nation as a whole. The economic impact of a corrupt business agent is fantastically enormous, and in Lake Charles it has harmed us and has continued to harm us since some time ago when the most violent of all things could have happened, and we cannot live out our bad reputation as a result.

The solutions we come to you with do not apparently originate with us, but they have not come about yet. The problem of this business agent corruption is not new; it is not difficult to prove; but its cause, beyond mere human nature and greed, appears to me easy to identify.

The origination, the cause, the source if you will, of the corrupt business agent, purely and simply, is in his power to run the hiring hall.

Of course, solutions might include increasing the punishment, adding money and manpower to enforcement, or even tightening up the law. This is tantamount to putting the fox in the chicken house and then adding more chickens.

We think the solution is to remove the cause, remove the temptation, and thereby solve the problem. If the business agent is taken away from the hiring hall control, we feel these problems will be solved.

I have mentioned in my prepared statement several alternatives to this, and I will leave that for the committee's consideration. I want to mention, however, that it is very simple, based upon my experience as a trust fund attorney of many years, based on my experience as a labor and management attorney for many years, and based upon my experience as a citizen of Lake Charles, to have the hiring hall procedure placed under a joint trust situation just as the pension and health and welfare and apprenticeship programs are controlled.

If management groups combined with union groups can form an apprenticeship program and train operators, it seems obviously simple to go one step farther and simply administer the hiring hall.

The fact that the business agent fights taking away the hiring hall is the most eloquent evidence that it is the source of his power and thus the source of his corruption.

We simply ask the committee to look inward, to realize that if they do as we ask, and if they consider our suggestions favorably, they may picture themselves, especially those Senators who have strong labor support, as being the champion of the rank and file, the champion of union rights for union members, and can be proud that they will do their full part in seeing that that constituency as well as other citizens interested in the labor movement directly and indirectly can surely pursue life, liberty and happiness.

I have one further request, and that is, having seen Mr. Trott's testimony as it has been passed out, in which he as a representative of the Attorney General's office takes a position that prosecution is not permitted in the current state of the law, given the facts at hand, I am highly dissatisfied with that statement and would like the opportunity, after he testifies, to rebut the statement or at least to offer to the committee my thoughts along those lines.

Having just seen that statement, I feel I need at least part of today, if not overnight, to study the statement and offer helpful suggestions to the committee.

Thank you very much.

[The prepared statement of Mr. Tynes follows:]

OPENING STATEMENT
OPERATING ENGINEERS HEARING
U. S. SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES
ORRIN G. HATCH, UTAH, CHAIRMAN

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I. Introduction

Thank you for the opportunity of speaking before the Committee this morning.

The subject of this hearing - corruption on the part of local union officials of the Operating Engineers - is of vital importance to many people. It is of absolute critical importance to the rank and file membership of this Union. Since the Operating Engineers Union has no monopoly on corrupt business agents, and since we assume this Committee is seeking a legislative solution to the problem, we can emphatically state that this hearing, other hearings like it, and the action (or failure to act) of this Committee is the last hope of the rank and file membership of all Unions with corrupt local officials.

Gentlemen, the plain fact is: when it comes to what can be done about a corrupt business agent, the rank and file have essentially no voice, no spokesman, and no effective remedies. If they did, we would not be here today.

The Union lawyers actually are hired by the Business Agents, and have their individual interest foremost in mind. It is common for Union lawyers to represent the Business Agents, on personal matters, free of charge, for example. Executive boards, to whom a member might appeal on intra-Union grievances, are composed of Business Agents, who protect each other. Even where a local membership meeting acts on an individual's case, the meeting is stacked by "friends" of the Business Agent. In fact, when the member persists in objections to the Business Agent, he is often branded "radical", "a dissident", or simply "disloyal", and is left an outcast.

In short, the rank and file are crying out desperately to you the lawmakers who have their destiny in the balance. The unionism that traditionally was a way of life for many of our citizens is now only a way of economic death.

We come before you humble in the hope you offer, enthusiastic for the cause we advocate, and confident our pleas will not fall on deaf ears.

I have been a practicing lawyer in Lake Charles, Louisiana for some 17 years. In 1975-76 I drafted some 9 trust agreements for the Carpenters, Bricklayers and Insulator's Unions, after ERISA was enacted. Thereafter, for many years I represented their Pension, Health and Welfare, and Apprenticeship Trust Funds. I have represented both labor and management in labor disputes. I have served as criminal defense counsel in certain criminal actions arising out of labor disputes. While I am not a labor law expert, I am very aware of what is happening in my corner of the world, with regard to the subject of this hearing. My purpose therefore, is to give you an overview of the situation as it exists today with International Union of Operating Engineers, Local 406, in Southwest Louisiana. Mr. Willard Carlock has labelled me "anti-union". A more correct label would be "anti-corrupt union business agent" or "pro-honest rank and file union member". Thus, you have my perspective, and my bias has been declared.

II. Local 406 Background

I am here primarily to discuss Operating Engineers Local 406 and their business agent. Before discussing the business agent specifically, certain background on the Union is helpful.

Local 406 is a bit different from other trade union locals since it is organized on a statewide basis. It's state office is in New Orleans, with 6 district offices scattered through the state. The statewide office is administered by a Business Agent, Peter Babin, who is elected and a President who is elected. Each District Office is then managed by one or two assistant Business Agents who are hired by the State officials. In most other unions the union hall in a given locale is run by a business agent elected by the members who attend that hall. Thus in Local 406, the Business Agent most directly in control of the affairs of the rank and file member is not even elected by him, and therefore the allegiance of such a Business Agent is directed away from the individual member, not toward him. In addition, the Statewide Business Agent, once elected, has enormous advantage from incumbency. In fact, the current Statewide Business Agent, succeeded his father in office. Therefore, there is a certain remoteness factor that operates to the detriment of the rank and file.

Local 406 maintains two parallel collective bargaining agreements. One with the pipeline contractors, and another with the general contractors. In some cases, another agreement exists with heavy and highway contractors. In all of these agreements, an exclusive hiring hall is in effect. This means that members may not solicit work as an operator outside the hall, and contractors must always contact the union hiring hall for workers. The exception to this is where a particular member, having been originally referred by the union to the contractor, becomes a key employee of that contractor, and may under certain rules, be name-requested by the contractor. When members desire work they place their names on the out of work list maintained by the hall in one of the district offices. ~~We~~ The member may live 100 or more miles from the hall, and this physical remoteness is a problem as well.

III. I.U.O.E. Background

Operating Engineers ordinarily have jurisdiction over, and operate, heavy equipment such as cranes, bulldozers, cherrpickers, and tractors, as well as smaller equipment such as air compressors, welding machines, and other equipment such as elevators and hoists. Consequently, on any major construction or pipeline job, operating engineers are in direct control of very expensive equipment, and are very important to a productive and efficient completion of the entire job.

The International Union allows the local union to affiliate with it, and in return the International is given certain authority over the local. However, the local cannot legally obligate the International to compensate a local member mistreated by the local, or by a local official. Essentially, the International is interested only in whether the local has its financial affairs in order, and the individual members are left to the local, notwithstanding grievance procedures allowing appeal to the International. The politics of this situation is obvious, and needless to say, does not operate in favor of the rank and file member, but rather in favor of the business agent.

IV. Litigation Pending

The subject of this hearing is alleged corrupt actions of local business agents of the Operating Engineers. Mr. Wilard Carlock and Mr. C. J. Laird are assistant business agents of Local 406, located in Lake Charles, Louisiana. They are appointed by Peter Babin and Don Schiro, the elected state-wide Business Agent and President respectively. Testimony and other evidence to be presented to the Committee will concern Mr. Willard Carlock primarily.

Currently pending in the Lake Charles United States District Court are lawsuits against Carlock and the others mentioned, by 5 members of Local 406. I represent 2 of those plaintiffs, and in addition I will be filing additional actions for 10 to 15 more members. I have also filed a class action asking the Federal Court to enjoin all 4 of these persons from having any hiring hall responsibility.

Mr. Carlock is also a defendant, along with several others, including two members of Local 406, in an action filed by me for a Lake Charles contractor, under the Racketeer Influenced and Corrupt Organization Act.

None of the suits have come to trial, since they are of recent vintage, and despite efforts in pre-trial motions by Carlock to have them dismissed, the suits are now in posture for trial, and will be given a special fixing as soon as the Court's docket permits.

All of these lawsuits involving Carlock have allegations of corrupt actions on his part.

It is my understanding that the testimony before you will concern three major areas:

a) hiring hall discrimination;

b) forced contributions of money and other things such as sexual favors from members or potential members; and

c) extortion and other misconduct involving contractors.

These areas are not listed in order of importance and all of them overlap one another to some extent. All are important to the rank and file member. If the ordinary member, discriminated against, or otherwise abused, had a way to get the business agent out of office, none of these 3 problem areas would exist. When the local unions are back in the control of the local membership, the problem of the corrupt business agent will be solved.

Although we are not attempting to try our cases before this Committee, we do want to present a case to you which will justify legislation to prevent these abuses ~~cases~~ from arising in the first place.

V. Hiring Hall Discriminations

Under the law, the International Union Constitution, and the collective bargaining agreements, referral of a person for a job from the Union hiring hall must be done without discrimination because of sex, race, national origin, or union rules and regulations. If you are qualified for the particular job, you are entitled to be referred for that job, only according to the priority given you by your prior position on the out of work list. Your position on the out of work list is the sole determination for referral, unless you are entitled to be name-requested, and you are in fact, so requested.

Discrimination in operating the hiring hall is the most common complaint of an individual union member. Discrimination takes many forms:

A) The most common form is simply referring certain persons for work out of sequence, or out of turn, leaving workers with prior entitlement based on a prior position on the out of work list, to sit at home.

B) Another form is to "blacklist" or "blackball" a member by jumping over such an individual, using any excuse imaginable not to refer him to work.

C) Yet another form is to refer persons for work who are not on the out of work list, whether they are members or non-members.

Regardless of which form of discrimination is being exercised, and in Mr. Carlock's case all 3 are present, it is done under the direct control and supervision of the Business Agent at all times. Access to the out of work list is highly limited and in some cases, forbidden entirely. The methods and mechanics of carrying out this discrimination vary ~~varies~~, and can be elaborated on if the Committee so desires.

VI. Forced Contributions of Money, etc.

On numerous occasions, involving countless dollars, members have had to pay any where from $25 to $200 per week to Willard Carlock in order to maintain their job. Those who did not were either demoted to tougher work, lower pay, or in some cases, simply laid off. Others paid to get the job in the first place. You will shortly hear witnesses give details on this, and see other evidence of it. Please keep in mind this is only a small sampling of forced contributions.

In addition to outright money contributions, there are other forms of contribution as well. For example, a member grateful for his job is requested to perform mechanic work on equipment owned by the business agent personally, and the request is somehow never denied. Also, sexual favors have been traded for a job. You will hear testimony on this as well.

Forced contributions of money, services, sex, and other things of value is achieved because of the ability of the corrupt business agent to practice hiring hall discrimination. The former cannot exist in the absence of the latter.

In some cases, peer pressure is used to insure contributions are made. For example, a union steward, who is a favorite of the business agent, will canvass the crew, telling them that they "owe" ~~it~~ their job to the business agent for some vague reason. It is always pointed out that they are working, somehow due to the business agent's good graces. In fact, it is the business agent that owes his job to the members, and not the other way around. The principle "He who giveth may also taketh away" is made plain to those who hesitate to contribute.

VII. Actions Involving Contractors

Another area of inquiry before the Committee is the case of extortion or other wrongful acts towards contractors. Certainly where there is a bona fide dispute over working conditions, manpower, or interpretation of the collective bargaining agreement, the union and the contractor have adequate remedies and procedures for resolving these disputes if they want to use them.

I am concerned, not with that situation, but rather one where a fair contractor is involved and there is no bona fide dispute, no unfair labor practice claim, etc.

In the case of Local 406, and Mr. Willard Carlock, fair contractors have been made either to rent equipment from him personally, from a company his son owned, or from a company with whom he was associated. In other cases, Mr. Carlock was loaned equipment by fair contractors for his own use. At the most, this is extortion, as defined in the criminal law, and at the least, it is a conflict of interest, as defined by the Labor-Management Reporting and Disclosure Act, which also has criminal sanctions. Here again, if the Business Agent did not have the ability to discriminate in the hiring hall, he could not so readily extort a contractor. In other words, the business agent's ability to send out members who will sabotage equipment, who will sabotage the job in other ways, and who will replace productive workers, is what forces the contractor to submit to the extortion.

Where a favorite of the business agent is not qualified, or is non-productive, the contractor may well be forced by the business agent to maintain such a person on the payroll. If such a person is referred out as a master mechanic, the effect on the contractor's ability to perform is greatly diminished. This practice is so bad in Lake Charles, the contractor's often ask only for a referral for a one or two day job, so if the man is not productive, they are not stuck with him.

"Ghosting", a term originating on the waterfront is also used. This occurs where a person receives a pay check who does not actually work. You will hear testimony on this as well. And finally, on a major construction project to convert a utility company from natural gas to coal, operators were paid 168 hours per week; that is 7 days working 24 hours per day.

In Lake Charles, we have about every example of extortion and wrongful conduct toward fair contractors that one can imagine.

VIII. Economic Impact

The impact of a corrupt business agent can, and does in our case, go far beyond the member discriminated against, or the extorted contractor. Louisiana is now a right to work state. We would not be if the legislature and the community thought that labor productivity was meeting its potential. The labor movement is weakened because fair contractors are discouraged, by the corruption, from continuing to sign collective bargaining agreements. Industries avoid coming to our area because of labor inefficiency, job sabotage, and outright extortion, and all because of a select few men, who hold themselves above and beyond the law. This situation in turn affects all members of the community at large, and the economic impact of the corrupt business agent becomes enormous.

Lake Charles traditionally has been a strong labor area, with labor an important political voice. This voice has been heard through the mouths of labor officials who theoretically controlled the voice of the rank and file. Therefore, law enforcement authorities hesitated to deal with complaints of corruption, which in turn, increases the economic impact. Whether this impact continues in intensity, repeated in communities across this nation, depends on this Committee and its wisdom.

IX. Solutions

The problem of the corrupt business agent is not new, nor is it difficult to prove in extent and effect. Its cause, beyond mere human nature, and greed, is easy to identify.

The power of the business agent to refer his members for work is far and away, the cause of his corruption. If each of you directly controlled whether each of your voters actually worked and earned a livlihood, you could easily perpetuate yourself in office. Once you discovered this, the temptation to corruption would multiply a thousand fold, and we know the rest of the story.

Solutions might include increasing the punishment, adding money and manpower to enforcement, or even tightening up the law somewhat. This is tantamount to putting the fox in the chicken house and then adding more chickens.

The meaningful solution is to remove the cause, remove the temptation, and solve the problem altogether.

The business agent must not control the hiring hall. I repeat for emphasis, the business agent must not control the job referral procedure.

While its ~~time,~~ true for record keeping purposes, maintaining current files on health and welfare and pension contributions, etc. the business agent needs to know who is working for whom at a given time. It is true that the business agent must see to the enforcement of his collective bargaining agreement, If the contract calls for a master mechanic for every 5 operators, he must see to the contractor's compliance. But none of this requires the business agent to actually control the job referral. It is not enough to say the job referral works fine if the business agent does his job legitimately, I'm here to tell you, as are these other witnesses, that the business agent does not do his job legitimately, so the system does not work well.

As an alternative to taking control away completely, I would suggest that access to the entire job referral process should be positively available to others. Those others would be for example, a rotating group of rank and file, as well as contractor representatives. It cannot be claimed that this list is strictly union business since you don't even have to be a union member to sign it or be referred to work from it.

There are other possibilities for administration of job referrals out of the control of the business agent. For example, the Board of Trustees, made up of equal representation from labor and management, who administer the pension plans, the health and welfare plans, and apprenticeship programs, could as well administer the job referrals.

The fact that loss of control over the hiring hall will be violently, yes violently opposed, by the business agents is the best indication of why they should lose control. It is a loud and clear admission that their power over the economic life and death of their members facilitates their corrupt and illegal activities. It is time we give the rank and file new economic life.

Another alternative to loss of control of job referrals is to improve the democratic processes of the union, to improve the grievance procedure, etc. But this is an unwieldly, time-consuming process fraught with the danger of simply warming over the same old soup.

There simply is no suitable alternative to getting the business agents out of the job business.

X. Conclusion

Mr. Chairman, you and your Committee, and ultimately the Congress, must act in this case with the rank and file union membership of this country foremost in mind. If you do so, you will at once also be serving the cause of a strong labor movement, the cause of increased productivity of the American worker, the cause of improved profits for American business, and the cause of a better standard of living for us all.

The persons testifying before you, including myself, are doing so at great sacrifice, under the current state of the law. We all risk harassment, intimidation, economic reprisal, and attempts at ridicule. If you act as we request, you may initially be at the same risk. Hopefully, the courage of your convictions will win over the risk involved. For those of you from districts with strong labor organizations, I suggest that you picture yourself as one who favors returning the union to its members, and as one for the laborer's welfare, not for the labor leader's welfare. We have seen that the labor leader can take excellent care of himself, but it is up to you to take care of the union member. If you do, you will succeed yourself in office and will have done your full part in seeing that your constituency can truly pursue life, liberty, and happiness.

The CHAIRMAN. Thank you, Mr. Tynes.

Let me turn to our distinguished chairman of the Judiciary Committee, who has just joined our committee, and see if he has an opening statement or cares to make any remarks or questions at this point.

STATEMENT OF HON. STROM THURMOND, A U.S. SENATOR FROM THE STATE OF SOUTH CAROLINA

Senator THURMOND. Thank you very much, Mr. Chairman.

I have rejoined this committee. I was a member many years ago when Senator Kennedy, I believe, was ranking member at that time; that is, John Kennedy, who later became President.

I am glad to be back on the committee. This committee handles many important problems. The subject today is one of vital importance. Regardless of the sympathy one might have for unions, I think our first love has got to be for the working people of this country, and whatever steps need to be taken should be taken, and I hope this committee can be helpful in solving this problem that is being discussed here today.

I want to commend the witness for his appearance.

Mr. Chairman, it is a pleasure to be with you and work with you on this committee. You are a very prominent member of the Judiciary Committee and do a fine job there, and I am glad to work with you here.

The CHAIRMAN. Thank you so much, Senator.

I really appreciate having you on this committee. We know you will add a great deal to it.

I want to thank you for your testimony, Mr. Tynes. You have put a lot of effort into it, and we will put the complete statement as though read into the record.

Now, our three panels of witnesses will elaborate, it seems to me, on many of the points that you have made here this morning. But before we go to that first panel of the day, I wonder if you could just give us a brief summary of some of the incidents, such as the Jupiter riot and the Ellender Bridge incident, that have given much of the Nation the impression that corrupt and violent activities on the part of labor unions occur all too often. Often they go unpunished, and certainly they do in Lake Charles, in the minds of many who have looked at this case.

So I would like to at least have you summarize that, if you could, before we go on, and we will try to give you an opportunity to speak after the Justice Department lawyer tomorrow.

Mr. TYNES. Fine. Thank you.

The two incidents in question are named Ellender bridge and Jupiter. Ellender bridge was a smallish bridge over the intercoastal waterway south of Lake Charles being built by a company called Conplex.

The company signed a union contract and employed union labor on the job. Things ran reasonably well until they got to the point in constructing the bridge where they needed to apply decking material, and because the contractor was involved in trying to expeditiously complete the work, he felt that his employees who were specialized in the carpentry area and the decking area should be used, and he offered to have those people come in and join the union on a permit basis from Texas to work in Louisiana.

When word of this got out, the local people objected, Mr. Carlock in particular, as well as the laborers, business agent, and others. Rather than taking the legal approach and sitting down at the bargaining table or going through some form of grievances, they simply loaded up two carloads of people from the Lake Charles area—"they" being Mr. Carlock and others in his position of power, as well as union members—went out to the job site and there beat up on the people who were brought in from Texas to do this work. They effectively ran them away from the job.

No one was killed, probably no one even seriously injured, although the beatings were pretty bad. This occurred in May 1975, and nothing was done about it. The climate was very tense because, at that point in time, local 102, I believe was the number, American Federated Union, or some such name as that, was coming in as a multicraft union; that is, they could send a carpenter on the job who could also do laborer's work, and if he happened to be a qualified electrician, he might spend an hour of his 8-hour tour doing electrician's work. The local unions in Lake Charles were fighting this because they felt that was a threat to their continued existence.

So, in January 1976, some 7 months after the Ellender Bridge incident, the Jupiter incident occurred. Jupiter derives from the name Jupiter Chemical Co., a small chemical company who was locating a brand new facility in Lake Charles to service PPG with certain specified chemicals.

Mr. Curley, who owned Jupiter, showed up at his plant site, with nothing but trees and grass and weeds, to survey it and was met by the laborers' business agent out there, who promptly told him he wanted $30,000 for labor fees. That was his introduction to labor in Lake Charles.

He had a chain saw in his hand because he wanted to cut several trees down, and that is how he got the business agent off the site, by cranking the chain saw and just running it so loud they couldn't hear each other talk, and he went on about his business.

It wasn't too long before the construction began, and the local unions were fighting through their business agents the introduction into our area of this Jupiter Chemical Co. as a non-union concern.

The district attorney and the sheriff, who had been totally unable to do anything about the Ellender Bridge incident, and who had been involved with a hands-off attitude toward labor violence for some time, were continuing to let this attitude prevail.

On the morning of January 15, 1976, a group of some 300 people charged through the gate of Jupiter Chemical Co. doing several hundred thousand dollars' worth of damage to property, shooting five people, and killed one. This achieved national prominence overnight as labor violence and as the reputation Lake Charles would have for some time and still does.

It came about because of the attitude on the part of the business agents that, because of their control of hiring halls, they could solicit violent activities on the part of certain members. And when all the business agents got together and grouped these people whom they could control into this mob situation, things got completely out of hand.

While no one said anybody was intentionally murdered, it was obvious that something terrible like that was going to happen because guns were in everybody's hand as they went through this gate, and they did so with a large machine. It was a violent act from the very beginning.

That morning a State policeman came by and stopped and was told by his headquarters to keep going. Law enforcement did not want anything to do out there. The lines to the telephones were cut so they couldn't even call for outside assistance.

As a result of the Jupiter incident, two persons who were, as it turned out, very much multiple offenders pled guilty and gave the sheriff and the district attorney statements naming other individuals involved in the case. It turned out these two were also involved in the Ellender Bridge incident. So, at the same time, both crimes and both incidents were solved.

Some 16 persons were indicted in the Jupiter incident out of all the 300 that went through the gate. Two pled guilty and became State's witnesses in these other trials, including Ellender Bridge and Jupiter. Two were subsequently found guilty, and all the remainder in the Jupiter incident were either acquitted—some 11 were—or other charges against others who had been tried were simply dropped because either witnesses became ill and couldn't testify or the State just quit tryinq to prosecute.

In the Ellender Bridge incident, there were a number of persons charged and three were tried, including Mr. Carlock. I represented one of the ones not tried, and I am not revealing a client confidence when I can tell you, I know exactly what happened and I know exactly what Mr. Carlock did, and he was guilty of the charges.

The three—Mr. Carlock and Mr. Davidson and Mr. Scimemi—tried in Ellender Bridge have continued their association, continued their extortion, continued the hiring hall discrimination activities.

They were charged in the Jupiter incident—at least Davidson and Carlock were—but not brought to trial because of what I mentioned.

So because of all of this, there was not really a successful prosecution to speak of in Jupiter nor in Ellender Bridge, and from this these business agents have gained confidence and courage and continue their corrupt and wrongful activities, and our reputation goes on.

The CHAIRMAN. Now, you have indicated that you feel Mr. Carlock was guilty in this one incident, but he was brought to trial, and what happened at the trial?

Mr. TYNES. At the trial, Mr. Hooper and Mr. Jensen, the two I mentioned who pled guilty, were raked over the coals very adequately by Mr. Percy Foreman, one of the Nation's foremost criminal defense attorneys, and when they finished telling the jury about Mr. Jensen's child abuse record and Mr. Hooper's vast criminal record, their credibility suffered considerably.

The other evidence at the trial, of course, was specific, but it was on the contractor's side, and the climate politically in Lake Charles at that time did not provide us with a jury panel that had any hope of convicting these persons. The marathon jury selection Mr. Foreman put everyone through, combined with the fact that Jensen and Hooper had pled guilty and were thought to have somewhat tainted testimony as a result of this plea bargain, combined to free Mr. Carlock in terms of getting an acquittal. But the actions he was accused of, he did, in fact, commit.

The CHAIRMAN. You are sure of that?

Mr. TYNES. Positive.

The CHAIRMAN. Well, I want to thank you, Mr. Tynes, for your testimony, and we certainly will try to give you some time again tomorrow if that is possible.

Mr. TYNES. Thank you.

The CHAIRMAN. That will give you some time to do some research which you apparently want to do.

Our next witnesses will be a panel of operatinq engineers who will testify about alleged abuses in the job referral process in Local 406.

Out first witness will be testifying from behind a screen that we will put in place momentarily. We want to protect her identity because she reported to us that her life has been threatened.

I would like to clear the room now so that we can get this witness into place, and after she testifies, we will again clear the room so that the other two witnesses, Ms. Cheryl Alexander of Sulphur, La, and Howard Taliaferro of Alexandria, La. can both testify.

So at this point, then, if we can just clear the room, we will set up the screen and get to our first witness.

[The room was cleared and the witness seated behind a screen.]

STATEMENT OF A CONFIDENTIAL WITNESS

The CHAIRMAN. Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

CONFIDENTIAL WITNESS. I do.

The CHAIRMAN. Now, I would like to give you the time to make whatever statement you would care to make to the committee, and we appreciate your being here today.

CONFIDENTIAL WITNESS. Thank you.

The CHAIRMAN. Go ahead.

CONFIDENTIAL WITNESS. I am just here because I want to see Carlock get what is coming to him, and I know that the Senate committee can do it.

The CHAIRMAN. All right, well, just tell us what your story is and what your statement is.

CONFIDENTIAL WITNESS. Well, I met him through a girlfriend of mine named Cheryl Alexander in August of 1978. I was out of work at the time, and I needed a job, and so I asked Cheryl if she could help me get into the local.

So she took me to his trailer, which is in Sulphur, La., and we explained to him why I was there, and he said that he would see about, you know, getting me in the local.

After a while, Cheryl left and then he started telling me what I would have to do, you know, the things that would be—I can't think of the word I want to say.

Anyway, he made it sound like gold, and at the time I needed the job bad. So he told me what I would have to do, which was to have sexual relations with him, and so I did. It was the only way that I could get the job.

The CHAIRMAN. Let me ask you some questions about this. Have you ever received job referrals from the Operating Engineers Local 406 in Lake Charles, La.?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. As I understand it, you received them between August and October of 1978, is that right?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Now, did you receive those referrals by signing the union's out-of-work list and awaiting your turn on the list?

CONFIDENTIAL WITNESS. No, sir.

The CHAIRMAN. Did you ever sign the list?

CONFIDENTIAL WITNESS. No, sir.

The CHAIRMAN. You never signed the list?

CONFIDENTIAL WITNESS. No, sir.

The CHAIRMAN. Who was the one who gave you your job referrals?

CONFIDENTIAL WITNESS. Carlock.

The CHAIRMAN. That is Willard Carlock, the business agent for Local 406 in the Lake Charles, La., area?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Now, how did you first meet Mr. Carlock? I think you have described that, where Cheryl Alexander—she was also working as an operator. As I understand your testimony, she took you by his trailer. Where was it, in Sulphur, La.?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. And that was in August of 1978, is that right?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Now, you asked Ms. Alexander to help you to get a job with the local because you had been unemployed, you needed income because you had to support yourself and, as I recall, your daughter?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Now, you briefly explained to us what transpired at that meeting. As I recall what you said, Mr. Carlock asked you if you were interested in going to work with the operators, and you said that you were. Is that correct?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Now, he went on to explain what type of work you would be required to do and how much you would expect to make, and you said he made it sound like gold, I think, to use your terminology here.

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Was Ms. Alexander present during this conversation?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Was anybody else present?

CONFIDENTIAL WITNESS. No, sir.

The CHAIRMAN. Did Ms. Alexander stay for the entire conversation?

CONFIDENTIAL WITNESS. No; she left after a little while.

The CHAIRMAN. So she wasn't there for the whole conversation?

CONFIDENTIAL WITNESS. No, sir.

The CHAIRMAN. Now, after she left, it is my understanding Mr. Carlock continued to talk to you about the job, right?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. And what you would be doing, how much you would be making, whom you would be working with. What did you think about that at the time?

CONFIDENTIAL WITNESS. It sounded like a golden opportunity to me, one I couldn't pass up.

The CHAIRMAN. Had you made money like that before in your lifetime?

CONFIDENTIAL WITNESS. Never.

The CHAIRMAN. So it sounded good to you, I take it.

CONFIDENTIAL WITNESS. Yes, sir, very.

The CHAIRMAN. Now, you were saying that there were certain things that came with the job, and what were they?

CONFIDENTIAL WITNESS. To have sex with Willard Carlock.

The CHAIRMAN. In other words, he said that if you wanted this job and you wanted these opportunities, you would have sex with him?

CONFIDENTIAL WITNESS. That was the only way I could get the job.

The CHAIRMAN. I see. What did you do?

CONFIDENTIAL WITNESS. Well, I had to submit to him.

The CHAIRMAN. I see. Now, did he expressly state that he expected sexual favors in return for the job referral, sexual favors from you?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. What did he do?

CONFIDENTIAL WITNESS. He came at me, and I kind of backed away from him, and then he told me if I wanted the job, this is what I would have to do.

The CHAIRMAN. You say you submitted to his demands?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Why did you do that?

CONFIDENTIAL WITNESS. Because I needed a job. I had a family to raise and, like I said, I had never made money like that before in my life, and I just couldn't pass it up.

The CHAIRMAN. You felt the only way you could get that job was in return for sexual favors you had to give to him?

CONFIDENTIAL WITNESS. Definitely.

The CHAIRMAN. Did he offer you any money at that time?

CONFIDENTIAL WITNESS. Yes, he did. At the end of the evening, he offered me $50.

The CHAIRMAN. He offered you $50?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. What did you do?

CONFIDENTIAL WITNESS. I passed it up. I said the job was enough.

The CHAIRMAN. Well, when did you get your first referral from Mr. Carlock?

CONFIDENTIAL WITNESS. The next day.

The CHAIRMAN. I see. Was anything said between you and Mr. Carlock when you picked up your work permit?

CONFIDENTIAL WITNESS. Yes. He told me to keep it between me and him, that he meant just business, you know, on the job. Nobody was to know anything about it. So I kept my mouth shut.

The CHAIRMAN. So he told you that what had happened in his trailer should be kept confidential?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Now, you went to work, as I understand it, for Bechtel, which was the prime contractor at the Olin Matheson plant in Lake Charles.

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Did you receive any indication from Mr. Carlock as to what your job status would be?

CONFIDENTIAL WITNESS. He told me that I would just—he sent me out as a master mechanic's helper.

The CHAIRMAN. I see. Who was the master mechanic?

CONFIDENTIAL WITNESS. J. J. Cooper.

The CHAIRMAN. As an assistant to Mr. Cooper, what kind of work responsibilities did you have?

CONFIDENTIAL WITNESS. Just like his errand girl and just follow him around like a little puppy dog, but no mechanical work was included.

The CHAIRMAN. So you did whatever errands he asked you to do?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. You did the errands and you fetched the tools and did things like that?

CONFIDENTIAL WITNESS. Right.

The CHAIRMAN. OK. Now, prior to your going through the operators' local for work, did you have any past experience or any affiliation with any other trade that would have prepared you for the work around heavy equipment that was required of you?

CONFIDENTIAL WITNESS. No, sir.

The CHAIRMAN. Not any?

CONFIDENTIAL WITNESS. None whatsoever.

The CHAIRMAN. Had you ever worked for another union?

CONFIDENTIAL WITNESS. No, sir.

The CHAIRMAN. Did you have any idea of what was going on or what had to be done?

CONFIDENTIAL WITNESS. No, sir.

The CHAIRMAN. What kind of work had you done prior to this referral by Mr. Carlock?

CONFIDENTIAL WITNESS. I was a waitress.

The CHAIRMAN. And that was the only work you had done?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. I see. Did you have any problems with Mr. Cooper?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Could you explain those to us?

CONFIDENTIAL WITNESS. Well, he called—he had kept trying to make sexual advances toward me, also, and I just ignored him, and the more I ignored him, the madder he got. He called me one night. He was staying at the Belmont Motel in Lake Charles. His wife was in the hospital having a hysterectomy—and he wanted me to go meet him, and I asked him what for, and he said, "You know what for." And I said, "No; I'll pass it up," And he told me, he said, "You want to keep your job, don't you?" and I said, "Not under those circumstances."

So I just hung up on him. And then the next day when I went back to work he laid me off. He gave me a reduction-in-force slip.

The CHAIRMAN. I see. Did you inform Mr. Carlock about your job termination?

CONFIDENTIAL WITNESS. Yes, sir. I went straight to the hall after that.

The CHAIRMAN. What did he do?

CONFIDENTIAL WITNESS. He sent me back out again as a unit operator making top scale.

The CHAIRMAN. So this was at a higher position?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Did you make a higher wage then than you did when you were working with J. J.?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Were there any strings attached to this second referral?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Could you tell us about that?

CONFIDENTIAL WITNESS. Well, when I got home that evening, he called me, Willard Carlock called me, and told me that I was in debt to him, and I asked him what he——

The CHAIRMAN. That you were in debt to Mr. Carlock?

CONFIDENTIAL WITNESS. Yes.

The CHAIRMAN. I see.

CONFIDENTIAL WITNESS. And I asked him what he meant by that, and he said, "Well, I sent you back out again, didn't I?" And I said, "Yes, sir." And he wanted me to come over to his trailer.

The CHAIRMAN. For what purpose?

CONFIDENTIAL WITNESS. To have sex with him again.

The CHAIRMAN. I see. So you had already had sex with him once, you say?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Was that following the first meeting you had with him, or at the first meeting?

CONFIDENTIAL WITNESS. I am sorry, I don't understand.

The CHAIRMAN. When did you have sex with him the first time?

CONFIDENTIAL WITNESS. The first time? It was in August, after he gave me the first referral to go out.

The CHAIRMAN. I see. So this was the second time that he said you owed him, and he demanded another sexual favor?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. And you did comply with that request?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. I see. You mentioned that you received a higher salary on this second referral. What were your comparative salaries on the two jobs?

CONFIDENTIAL WITNESS. The first time I was making $7-something an hour. The second time I was making $10 or $11 an hour.

The CHAIRMAN. Was this top journeyman's scale?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. And yet you had virtually no job experience whatsoever. Is that right?

CONFIDENTIAL WITNESS. No, sir.

The CHAIRMAN. What were your responsibilities on the second job?

CONFIDENTIAL WITNESS. In the mornings we would turn on the welding machines, and in the evenings, at the end of the day, we would turn them off, and during the day, if they needed to be filled with gas, we would go around and fill them with gas.

The CHAIRMAN. Is that all you did for a whole day?

CONFIDENTIAL WITNESS. That is all I did; yes.

The CHAIRMAN. What would you do when you didn't have any of those things to do?

CONFIDENTIAL WITNESS. Walk around like a dummy.

The CHAIRMAN. That is all you did?

CONFIDENTIAL WITNESS. That is it.

The CHAIRMAN. You were paid something like $10 or $11 an hour for that?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. Were you assigned to work under J. J. Cooper the second time you were referred to the Bechtel job site?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. How long did you remain on the job the second time?

CONFIDENTIAL WITNESS. Not very long, I guess about a couple of weeks.

The CHAIRMAN. How did you get along with Mr. Cooper the second time around?

CONFIDENTIAL WITNESS. Worse. It was worse.

The CHAIRMAN. Why?

CONFIDENTIAL WITNESS. Because he kept trying to get me to have sex with him, and I wouldn't comply, and so he sent somebody to tell me one day, "Either drag up or face the consequences."

The CHAIRMAN. Now, what did he mean by that?

CONFIDENTIAL WITNESS. I didn't know. All I know is it scared me, but not enough to where I would drag up. I said if he wanted to lay me off, he would have to give me a reduction-in-force.

The CHAIRMAN. I see. Now, I understand that he told you that you either had to cooperate sexually or that he would make sure you never worked again.

CONFIDENTIAL WITNESS. Right.

The CHAIRMAN. I see. Did he mean on another 406 job or for anybody?

CONFIDENTIAL WITNESS. I took it as he meant with anybody.

The CHAIRMAN. What did you feel about that?

CONFIDENTIAL WITNESS. It scared the hell out of me.

The CHAIRMAN. Well, did you give in to Mr. Cooper's sexual demands?

CONFIDENTIAL WITNESS. No, sir.

The CHAIRMAN. Did Mr. Cooper lay you off a second time?

CONFIDENTIAL WITNESS. Yes; he did.

The CHAIRMAN. Did you inform Mr. Carlock about this second layoff?

CONFIDENTIAL WITNESS. I went to the hall that afternoon and Cheryl was there, and that is the afternoon that Willard Carlock had his heart attack, so I didn't get to tell him about it, and then I just gave up, because I had tried getting in touch with him several times, you know, to no effect, and so I just gave up and went to beauty school.

The CHAIRMAN. So you went to beauty school and you became a beautician?

CONFIDENTIAL WITNESS. Yes, sir.

The CHAIRMAN. OK. Have you ever testified to a grand jury about these incidents with Mr. Carlock, or have you ever revealed them to the FBI?

CONFIDENTIAL WITNESS. No.

The CHAIRMAN. Why did you wait so long to report these incidents?

CONFIDENTIAL WITNESS. Because I was scared for my life. J. J. Cooper had threatened my life, and I had a daughter to think about, and to tell you the truth, I just didn't think I could get anywhere with it.

The CHAIRMAN. Well, if that is so, why are you here now, if you were so afraid?

CONFIDENTIAL WITNESS. Because I feel confident that the Senate committee can do something about this.

The CHAIRMAN. You are hoping that we can help solve this problem as a Senate committee?

CONFIDENTIAL WITNESS. Right.

The CHAIRMAN. Well, I want to thank you very much for your testimony.

Had you gotten work before you met Mr. Carlock by giving sexual favors?

CONFIDENTIAL WITNESS. No, sir.

The CHAIRMAN. This was the first time you ever did that?

CONFIDENTIAL WITNESS. Yes.

The CHAIRMAN. Did Mr. Carlock ever contact you after that?

CONFIDENTIAL WITNESS. Yes.

The CHAIRMAN. And what did he say then?

CONFIDENTIAL WITNESS. He contacted me, I guess, about a month to 6 weeks ago. I have seen him like on the streets, you know, and just talked to him, but never, you know, nothing sexually, and what he came to my house 6 weeks ago, I don't know. I couldn't tell you.

The CHAIRMAN. You didn't talk to him or what?

CONFIDENTIAL WITNESS. I talked to him, but it was just like small talk.

The CHAIRMAN. In other words, he came and just had some small talk with you, but that was the end of the discussion?

CONFIDENTIAL WITNESS. Yes.

The CHAIRMAN. All right. Well, we want to thank you for appearing here today, and I think what we will do at this time is clear the room again, and then we can hear from Ms. Alexander and Mr. Taliaferro. You just stay right there.

[The room was cleared and the witness excused.]

The CHAIRMAN. If we could have Ms. Alexander and Mr. Taliaferro take the stand, we would appreciate it.

Would both of you raise your right hands? Do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Ms. **ALEXANDER**. I do.

Mr. **TALIAFERRO**. I do.

STATEMENT OF CHERYL ALEXANDER

The **CHAIRMAN**. Ms. Alexander, would you begin by telling us how long you were affiliated with local 406?

Ms. **ALEXANDER**. Five years.

The **CHAIRMAN**. You were there about 5 years, then?

Ms. **ALEXANDER**. Yes, sir.

The **CHAIRMAN**. As I understand, that was from June 1978 to June 1983.

Ms. **ALEXANDER**. Yes, it is.

The **CHAIRMAN**. Did you have any experience that would have qualified you as an operating engineer when you got your first job referral?

Ms. **ALEXANDER**. None whatsoever.

The **CHAIRMAN**. Now, you have indicated to us that you were affiliated with local 406 for 5 years from June of 1978 to June of 1983, and that you had absolutely no experience which qualified you as an operating engineer when you got your first job referral. Both of those statements are true?

Ms. **ALEXANDER**. Yes, they are.

The **CHAIRMAN**. Did you ever sign the out-of-work list during your 5-year tenure as an operator?

Ms. **ALEXANDER**. No, I did not.

The **CHAIRMAN**. How did you get your first job with the Operating Engineers?

Ms. **ALEXANDER**. Well, Mr. Carlock knew that I was very partial to the sheriff at the time, Hem Ree, and I was doing bookkeeping for a particular company in which Mr. Carlock was wanting to get any and all information, just anything he could, to bring to the Federal Bureau in order to find some type of accusation to get him out of office.

The **CHAIRMAN**. In other words, he was interested in finding information about the FBI investigation.

Ms. **ALEXANDER**. Anything that would harm this particular man, he wanted to get the information on anything possible so that he could bring forth in order to try to hurt him in some way.

The **CHAIRMAN**. Now, this was a businessman there in that area?

Ms. **ALEXANDER**. Yes, it was.

The **CHAIRMAN**. That Mr. Carlock disliked?

Ms. **ALEXANDER**. Very much.

The **CHAIRMAN**. Now, you were working, as I understand it, as a cashier at that time? Was it for the Casa Mañana?

Ms. **ALEXANDER**. No, sir. At the time that Mr. Carlock and I first became acquainted, that is where I was working. Then I had gone to work for another construction company.

The **CHAIRMAN**. Was that T. L. James?

Ms. **ALEXANDER**. No, sir. I was a bookkeeper at the other construction company.

The **Chairman**. OK, but it was Mr. Carlock who did get you the referral to T. L. James Co.?

Ms. **Alexander**. Yes, it was.

The **Chairman**. And he did that in 1978 in return for your giving him whatever information you had about the FBI?

Ms. **Alexander**. Well, after stating to Mr. Carlock that the company I was working for was in financial trouble and that we may be laid off, he informed me then not to worry; that there was no reason in going to look for other employment, that he had something, something that I would particularly want. It paid more and had better benefits, and I would have no problems on the job, that he would take care of everything.

The **Chairman**. Let's go back to this FBI testimony that you have given. You said that he gave you a job, or at least I understood you to say he gave you a job so that you could find out information about a businessman that he disliked from the FBI.

Ms. **Alexander**. No, sir. Mr. Carlock knew that I was working for this particular company, and he wanted me to go forth with anything, which I had stated to him, nothing that I could tell the FBI would even help him; it would not even be relevant to anything that he wanted, not enough to harm him in any way, but he was hoping to find some technicality to bring forth, so he asked me to go——

The **Chairman**. Was that against this businessman?

Ms. **Alexander**. Yes.

The **Chairman**. OK, I am starting to understand it now. Did you go to the FBI?

Ms. **Alexander**. Yes.

The **Chairman**. But you felt the information you had wasn't really relevant or important.

Ms. **Alexander**. Nothing that would be anything to incriminate him with.

The **Chairman**. I see. Did you get the referral before or after you went to the FBI—the referral from Mr. Carlock to the Operating Engineer's job, did you get that referral before or after you went to the FBI?

Ms. **Alexander**. I received it before.

The **Chairman**. Before. Now, if you didn't sign the out-of-work list, how did you get this referral, or did you sign the out-of-work list?

Ms. **Alexander**. To be perfectly honest with you, Mr. Carlock had asked me to come up to the office around closing, which was about 3:30, and we had gone out to the T. L. James site and talked to some of his friends and his family; then we went back to the hall and he told me to be there at quarter to seven the next morning, and he informed me who to speak to, and he wrote something down on a piece of paper, and he folded it up, and I naturally thought that it was none of my business to find out what it was since he had folded it. Evidently, I thought he didn't want me to know what it was, but to give that to Ronnie Leger. Later I then found that it was a referral.

The **Chairman**. I see. Did you ever sign an out-of-work list?

Ms. **Alexander**. I didn't even know one existed in the local until about 3 months after I went to work.

The CHAIRMAN. Now, this referral was to the T. L. James job, am I correct?

Ms. ALEXANDER. Yes, it was.

The CHAIRMAN. Now, what kind of work did you do at the T. L. James job?

Ms. ALEXANDER. Well, I was supposed to be an oiler.

The CHAIRMAN. You were supposed to be an auditor? Oh, you were supposed to be an oiler?

Ms. ALEXANDER. Yes, sir.

The CHAIRMAN. An oiler at that job. Well, what actually did you do? When you got to that job site, did you act as an oiler or what did you do?

Ms. ALEXANDER. I sat under the shade tree to stay out of the sun, and that's it.

The CHAIRMAN. That is all you did for work?

Ms. ALEXANDER. Yes.

The CHAIRMAN. Did you ask the master mechanic what you were supposed to do?

Ms. ALEXANDER. Well, in that particular job, it was a little hard to get with the master mechanic because it was such a big job. You had a particular foreman that came out and instructed what you were to do in that area. He would tell the operator, and the foreman had come out, and I asked him what I was supposed to do, and he said, "Nothing. Just don't fall asleep, because if the company personnel come by, they would be rather upset if you did."

The CHAIRMAN. So you just went and sat under a tree?

Ms. ALEXANDER. Yes, and whenever I was tired of that, I got up and walked around.

The CHAIRMAN. And that is all you did?

Ms. ALEXANDER. That was it.

The CHAIRMAN. Who was the master mechanic? Was that Ronnie Leger?

Ms. ALEXANDER. No, sir. It was Johnny Horton, Mr. Carlock's brother-in-law.

The CHAIRMAN. Did he recommend that you go under a tree and relax?

Ms. ALEXANDER. He said there was nothing for me to do, and definitely not to get around the rig because I could be harmed.

The CHAIRMAN. Had you ever worked around heavy equipment before or prior to this T. L. James job?

Ms. ALEXANDER. No, sir.

The CHAIRMAN. Not at all?

Ms. ALEXANDER. None at all.

The CHAIRMAN. So you had absolutely no experience and no qualifications for this job at that particular time, or certainly as far as heavy equipment was concerned?

Ms. ALEXANDER. I had no knowledge of how to operate it, how the mechanics of it worked, or anything else. I had no knowledge.

The CHAIRMAN. How long were you at that T. L. James job site? How long did you work there?

Ms. ALEXANDER. Two, maybe 2½ days.

The CHAIRMAN. Well, why did you leave that job after 2 days?

Ms. ALEXANDER. Well, because that afternoon, the first day that I was there, Mr. Carlock had met with us up at the Pit Grill, because we were all working late hours, and some of his close friends were out there, and we all met up at the Pit Grill, and he was teasing me about being sunburned and about how bad I looked, and the next day or so after the shift foreman came to tell me that I would be meeting with the FBI, and to tell me that it was time, Mr. Carlock was at the office for T. L. James, and he again told me that he didn't want me working those long hours because, he said, in his own words, "Well, baby, these hours aren't for you. You need something with short hours so we can party. After all, you're not too pretty with sunburn."

The CHAIRMAN. I see. Well, did you get another job then?

Ms. ALEXANDER. Yes, sir.

The CHAIRMAN. And where was that?

Ms. ALEXANDER. On the same construction site but for a different company, with F. Miller and Sons.

The CHAIRMAN. And what did they do? What kind of work did they do?

Ms. ALEXANDER. Well, a general contractor. They were laying the piling for the tanks.

The CHAIRMAN. Now, did Mr. Carlock ever demand sexual favors from you in return for these job referrals?

Ms. ALEXANDER. He gave very many overtures in relation to that, and as time progressed, he told me that it was time because how was I to expect him to keep giving me all these privileges and being taken care of; I wasn't taking care of him, so why should he take care of me?

The CHAIRMAN. So he was demanding sexual favors of you?

Ms. ALEXANDER. It was at the point where he was.

The CHAIRMAN. I see. Did they require any work of you at the F. Miller and Sons job site where you went to work after the T. L. James job?

Ms. ALEXANDER. At first I did very, very little. In fact, Mr. Carlock instructed me not to do enough to get my hands dirty. After all, an operator is not supposed to get greasy, not supposed to be dirty, and definitely not supposed to have their hands dirty.

The CHAIRMAN. I see. Were you required to attend work in order to get paid there?

Ms. ALEXANDER. Well, at first, for several months, probably for 6 months, I came and went as I pleased. If I missed a day's work and they called for an oiler at the hall, Mr. Carlock would then not send one out because he knew what job it was on, and he would not send one out; then he would ask me later in that week, or whatever, "Well, you didn't go to work. Did you get paid for it?" I would tell him yes or no, or whatever. Then he would have me go back to tell the master mechanic in a very ugly way that no one had shown up, and it was union policy, if the rig was to run, someone was to be paid, and I was the someone, since he hadn't sent anyone out.

The CHAIRMAN. So whether you worked or not, you got paid for working?

Ms. ALEXANDER. Yes, sir. Any time the rig would run, whether it was on a Saturday—the piling just happened to come in and they needed somebody down there, if they couldn't get in touch with us, or for whatever reason, if the rig was in operation on the job, we were to be paid.

The CHAIRMAN. And that was whether you worked or not, whether you showed up or not, whether you did anything or not, whether you got your hands dirty or not?

Ms. ALEXANDER. That is right.

The CHAIRMAN. Mr. Carlock saw to that?

Ms. ALEXANDER. Yes, sir, he did. At first he took very good care.

The CHAIRMAN. So your check was there regardless of whether you worked or not. Were there some days you didn't work?

Ms. ALEXANDER. There were a lot of days I didn't work, or I would decide at noon or whatever that I wanted to go to the hall, or I decided I wanted to go riding around town, or I wanted to go see what they were doing at the hall, and I left.

The CHAIRMAN. I see. Now, Ms. Alexander, you stated earlier that you didn't sign the out-of-work list because you were totally unaware of its very existence, and that it was never required of you by Mr. Carlock. Is that right?

Ms. ALEXANDER. That is true.

The CHAIRMAN. Now, were you ever in a position to know whether he was discriminatorily abusing the hiring hall list that each operator is required to sign and therefore depends on for work?

Ms. ALEXANDER. Mr. Carlock, after a while, took me under his wing and was going to teach me how to talk to the contractor, to learn the union rules of what I was supposed to do and what I wasn't supposed to do, so that I didn't get in trouble, or operators didn't come up bawling me out about different things, and to make sure that they weren't abusing me or taking advantage of me in any way, and he did give me a contract book, told me to read it over, and if I had any questions, I would ask him and he would show me along the fine lines of what to do and what not to do.

And then, after 2 or 3 months, an operator had said something about going to the hall and signing a work list, and I asked him, "What the hell are you talking about?" and he said, "We have a book." I said, "No, we don't; I've never seen one," and he insisted that they did.

So I did, I asked Willard about it, and he said yes, they did, they are supposed to sign in. And after I had been there for some time, I had access in and out of the office to visit or do whatever, or when he was on the phone, and as your last witness stated, the day that he had his heart attack, I was in there while he was on the phone, sitting up on the desk and playing with the papers on the desk, and things like this.

So, several times I would sit there and look at the referrals, and they may be there for a couple of days and he hadn't sent anyone out, or it may be a rainout and we went up to the hall, and it may be backdated 2 or 3 days, the referrals, and I would ask him, "Well, how come? You know, everybody is here." It was like a little meeting place. If you got rained out you came down to the hall, and the men played cards in the back and drank coffee and stuff, and I asked him how come he didn't send them out. He said, "Well, for different reasons." Either he was trying to hurt the contractor, either they didn't pay their fringes on time, send their benefits in, or he was angry with them for some reason, or he just didn't feel like it that day. Or maybe he had someone that would be laid off within the next couple days. All these things I am telling you—I have seen, for instance, happen.

Maybe one of his friends or someone wanted a job, or maybe he was going to hurt a contractor, so he is going to have the operators leave the job, or if he had one that would be lasting for several months, as work got slow and we no longer had that much work, it wasn't plentiful, he would have us, he would have some of the men leave their job on the job that was maybe lasting 18 months where they only had 2 weeks, 3 weeks left, he would tell them to leave, come down to the hall, he would send them out on another referral, and some of the less favorite people would get the scrounge of what was left.

The CHAIRMAN. I see. Did you ever sign the out-of-work list or book?

Ms. ALEXANDER. No, sir.

The CHAIRMAN. Did the people who were his, quote, friends, unquote, as you described them, did they sign the out-of-work list, to your knowledge?

Ms. ALEXANDER. Some signed it, but it never got to the point of down the list like it should have been.

The CHAIRMAN. You are saying it really didn't play a role. He just took care of his own cronies and people he wanted to take care of.

Ms. ALEXANDER. It was there for looks only. It was just there for the people that were less favorite, maybe he would just tell them, "Look, I've got 80 people ahead of you. I can't send you out." But yet other people that were friends of his that he took care of or that gave him mechanical services, worked on his car, did things around his home, carpentry work, he would provide and make sure that they were taken care of.

The CHAIRMAN. They were the ones who got the referrals, then?

Ms. ALEXANDER. They got them first, and they got the best.

The CHAIRMAN. I see. Did you hear the testimony from our confidential witness related to the committee behind the screen just a few minutes ago?

Ms. ALEXANDER. Yes, I did.

The CHAIRMAN. All right. Were her statements accurate as they regarded you?

Ms. ALEXANDER. Yes, sir, they were.

The CHAIRMAN. OK. Were there any other abuses of the referral process that you observed during the 5 years that you were at local 406?

Ms. ALEXANDER. Yes, sir. As I stated, the contractors, he would put them in a bad predicament. He would take advantage of the situation. I know several times that I was the last oiler to come to work, and the only woman, and he made my position with them very difficult. He in turn would favor me, would come out and check with me on the job, come out and talk to me, ignore the rest of them, the other operators that happened to be out there, and they began to say ugly things and insinuating sexual favors, which there were none on my part with him, and he came over to our shop one day because I told him I was probably going to be laid off, and they had an oiler that he decided to make an operator because I wouldn't have a place to go; I may be laid off.

He put pressure on the master mechanic then, he had to do it or he'd find something to counteract with.

The CHAIRMAN. Were there any other abuses of the referral process that you observed during those 5 years? Were there incompetent people put on the job, besides yourself?

Ms. ALEXANDER. Yes, sir, there were. If Mr. Carlock was angry with a contractor—I witnessed this myself—he was angry with the president of our company, which is the president of the AGC, and it was near negotiation time, and he became angry with him over what they wanted and what they would offer. So he sent this operator which was not qualified to run a backhoe out. He wasted time, money, and everything else on the contractor's part by sending this man out, which we just had to wait until someone else that was qualified from our company would come.

He would shortchange the operators. He would not send out decent people or someone capable of running equipment, or he would send out his henchmen to sabotage the equipment, to tear it up.

The CHAIRMAN. Now, in these 5 years that you worked out of this local, did you ever learn how to operate the heavy equipment?

Ms. ALEXANDER. Yes, sir.

The CHAIRMAN. You did learn how?

Ms. ALEXANDER. Yes, sir.

The CHAIRMAN. Did you ever operate it?

Ms. ALEXANDER. Yes, sir, under a technicality. I had gotten put under the AGC training program because Willard had gotten very angry with me. He came to the job site one day and had told the master mechanic to "keep my ass in Lafayette," because that was where we were working. We had come to Lake Charles for a piling job, to drive some test piling for a bank, and he came up there and told him pointblank, "Don't you dare send her back; you know, it is going to be trouble."

So the master mechanic came out and told me. I became very upset, and I told Mr. Carlock then, "You'll talk to me or else I'll talk to someone else."

The CHAIRMAN. I see.

Ms. ALEXANDER. So he then talked to me about it and told me that it was a lie; it wasn't true. I had to be put under this program so that I would have protection, so he would have to stay away from me, because he was always trying to have me laid off. He was irritated with me because I wouldn't have sex with him.

The CHAIRMAN. This was Mr. Carlock, you are saying?

Ms. ALEXANDER. Yes. And so after I got put under the training program, they allowed me to learn. They gave me the chance to. But Mr. Carlock, every chance he got, he tried to have me taken away from the job.

The CHAIRMAN. When were you put in the training program?

Ms. ALEXANDER. In November of 1979.

The CHAIRMAN. So about a year, year and a half after you started work?

Ms. ALEXANDER. Yes, sir, but I had been working for the Operating Engineers 8 months before I ever got a permit.

The CHAIRMAN. I see.

Ms. ALEXANDER. Then I paid for it and he stopped me from paying my dues. He even told his daughter-in-law to tell me not to dare pay when I was in Lafayette, because if I did, that I would regret it.

The CHAIRMAN. Well, let me just ask you one final question. Did all this happen because he demanded sexual favors from you?

Ms. ALEXANDER. I became one of his less favorite because I began to talk back to him, because I wouldn't have sex with him. But he is like that. After he has used somebody and he doesn't have any use, or maybe he feels that they don't have any power to do anything back, that's it; he's rid of them. Unless he needs something, he won't be back.

The CHAIRMAN. One last thing. Did you ever have sexual relations with him?

Ms. ALEXANDER. No, sir.

The CHAIRMAN. OK.

Let me turn to you, Mr. Taliaferro.

Mr. Taliaferro, would you please tell the committee how long you have been associated with the Operating Engineers Local 406 of Lake Charles?

STATEMENT OF HOWARD TALIAFERRO

Mr. TALIAFERRO. Yes, sir. Approximately 18 years, sir.

The CHAIRMAN. Are you still an active member of the local?

Mr. TALIAFERRO. No, sir, I am not.

The CHAIRMAN. Would you tell us why you are no longer affiliated with the local?

Mr. TALIAFERRO. The main reason, I have been expelled, Senator Hatch.

The CHAIRMAN. You were expelled from the local?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. When was that?

Mr. TALIAFERRO. It seems like it was July 21 of last year, sir.

The CHAIRMAN. In 1983?

Mr. TALIAFERRO. Yes, sir, 1983.

The CHAIRMAN. What was the reason for your dismissal from the union?

Mr. TALIAFERRO. I was singled out as a member that had caused these people great havoc through different things with the local, but the main reason was, I did not pay my dues, sir, for the 90-day period.

The CHAIRMAN. Well, let me enter the International Union of Operating Engineers July 27, 1983, letter to Mr. Howard Taliaferro, as Taliaferro exhibit No. 1.

[Taliaferro exhibit No. 1 follows:]

International Union of Operating Engineers
(HOISTING, PORTABLE AND STATIONARY)
LOCALS 406 - 406A - 406B - 406C - 406R
AFFILIATED WITH THE AFL-CIO
7370 CHEF MENTEUR HIGHWAY PHONE 241-1311
NEW ORLEANS, LOUISIANA 70126-5394

PETER BABIN, III BUS MGR-FIN SECTY
DONALD SCHIRO PRESIDENT
CARTER CARPENTER VICE-PRESIDENT
RAYFORD CLOY REC-CORRES SECTY
MELVIN SPIZALE TREASURER

Taliferro Exhibit No. 1

July 27, 1983

Mr. Howard R. Taliaferro
330 Alamo St.
Lake Charles, La. 70601

Dear Sir and Brother:

According to our records, you were suspended 3/31/83 for non-payment of dues.

At the meeting of July 21, 1983, you were expelled from Local 406, by the membership present, per Article XXIV, Subdiv. 7, Section (d) of the International Union of Operating Engineers Constitution.

Fraternally yours,

Rayford Cloy

Rayford Cloy
Rec.-Corres. Secty.

RC:Evh

Certified Mail #P-403-347-026
Return Receipt Requested

cc: Lake Charles office

The CHAIRMAN. Now, this letter indicates that you, Mr. Taliaferro, were suspended on March 31, 1981, from Local 406 for nonpayment of dues, and that you were later expelled at a July 21, 1983, meeting. So that has been put in the record at this point.

How much time had elapsed during which you failed to pay your membership dues?

Mr. TALIAFERRO. Approximately 90 days, Senator. I don't really believe it was, but Mr. Carlock had jumbled around a January payment of my dues.

The CHAIRMAN. So he claimed it was 90 days?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. But you don't believe it was that long?

Mr. TALIAFERRO. No, sir.

The CHAIRMAN. What were your reasons for not paying the dues?

Mr. TALIAFERRO. Well, sir, I really didn't have the money. The people hadn't seen fit to work me for some 15 to 16 months previous to this, and I just didn't have the money to continue paying the dues.

The CHAIRMAN. So what you are saying is that you didn't get any work from the local and so, consequently, you couldn't afford to pay your dues, so you refused to pay them?

Mr. TALIAFERRO. That is correct.

The CHAIRMAN. The July 27, 1983, letter from the New Orleans Office of Operating Engineers said that you were suspended on March 31, 1983. How long had it been previous to that date that you worked out of local 406?

Mr. TALIAFERRO. December 11, 1981, sir.

The CHAIRMAN. And was that in Jennings, La.?

Mr. TALIAFERRO. Yes, sir, it was.

The CHAIRMAN. Now, it appears from your testimony that you went without work for approximately 15 months prior to your suspension from the union. What do you feel the reason was for local 406 not referring you out to various jobs?

Mr. TALIAFERRO. Because I had filed charges against Mr. Willard Carlock and corrupt local 406 for discrimination with NLRB.

The CHAIRMAN. So, you are saying because you filed those charges they wouldn't send you out for work?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. Even though your name was on the out-of-work book?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. You had properly signed up?

Mr. TALIAFERRO. Yes, sir, and still is.

The CHAIRMAN. Was it your impression or your belief or your knowledge that they were jumping men above you on the list?

Mr. TALIAFERRO. It is my knowledge, sir.

The CHAIRMAN. Were you sure to make certain that your name appeared on the list during the entire time that you were without work?

Mr. TALIAFERRO. Yes, sir, the best I could, but it is my understanding, which I have a tape from the president of the local saying Mr. Carlock kept three sets of books, but I did happen to see one of them kind of frequently.

The CHAIRMAN. I see.

How did you know that you weren't working, when you had seniority, while others were working who had less seniority?

Mr. TALIAFERRO. Well, I am a sideboom operator, and I had checked this particular pipeline job at Jennings, La., real close because I knew my name was coming up to go on this job, and I went out 1 day and there were five operators, or six, on the job that had never signed the Lake Charles out-of-work list.

The CHAIRMAN. Well, what sort of action did you take to settle the grievances that you had against local 406 and Mr. Carlock?

Mr. TALIAFERRO. That is when I went to the NLRB.

The CHAIRMAN. You went to the National Labor Relations Board in New Orleans?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. Did they issue a complaint?

Mr. TALIAFERRO. Yes, sir. They hated to, but they finally did.

The CHAIRMAN. Let me just enter as Taliaferro exhibits No. 2 and 3 two letters from the National Labor Relations Board, one letter from the New Orleans Office to Howard Taliaferro, dated January 12, 1983; the second letter is from the NLRB's office in Washington, D.C., dated February 5, 1982.

[Taliaferro exhibits No. 2 and 3 follow:]

Taliaferro Exhibit No. 2

NATIONAL LABOR RELATIONS BOARD
REGION 15
Plaza Tower Building, Suite 2700
1001 Howard Avenue, New Orleans, Louisiana 70113 Telephone 589-6396

January 12, 1982

Re: Operating Engineers, Local 406
Lake Charles, Louisiana
Cases Nos. 15-CB-2544
15-CB-2545

Mr. Howard Taliaferro
Box 5741
Alexandria, LA 71301

Dear Mr. Taliaferro:

The above-captioned case charging a violation under Section 8 of the National Labor Relations Act, as amended, has been carefully investigated and considered.

As a result of the investigation, it appears that the evidence is insufficient to warrant further proceedings. I am, therefore, refusing to issue a complaint in this matter.

Pursuant to the National Labor Relations Board Rules and Regulations, you may obtain a review of this action by filing an appeal with the General Counsel addressed to the Office of Appeals, National Labor Relations Board, Washington, D.C. 20570, and a copy with me. This appeal must contain a complete statement setting forth the facts and reasons upon which it is based. The appeal must be received by the General Counsel in Washington, D.C., by the close of business on January 25, 1982. Upon good cause shown, however, the General Counsel may grant special permission for a longer period within which to file. Any request for extension of time must be submitted to the Office of Appeals in Washington, and a copy of any such request should be submitted to me.

If you file an appeal, please complete the notice forms I have enclosed with this letter and send one copy of the form to each of the other parties. Their names and addresses are listed below. The notice forms should be mailed at the same time you file the appeal, but mailing the notice forms does not relieve you of the necessity for filing the appeal itself with the General Counsel and a copy of the appeal with the Regional Director within the time stated above.

Very truly yours,

CERTIFIED MAIL

Fallon W. Bentz
Acting Regional Director

cc: (see page 2)

Taliferro Exhibit No 3

IU OE 406
Taliaferro

NATIONAL LABOR RELATIONS BOARD
OFFICE OF THE GENERAL COUNSEL
Washington, D.C. 20570

February 5, 1982

Re: Operating Engineers,
Local No. 406
Lake Charles, Louisiana
Case Nos. 15-CB-2544
15-CB-2545

Mr. Howard Taliaferro
P.O. Box 5741
Alexandria, Louisiana 71301

Dear Mr. Taliaferro:

Your appeal from the Acting Regional Director's refusal to issue a complaint in the above cases has been duly considered.

The appeal is denied. The evidence indicates that the collective bargaining agreement (Article II, J) permits an employer to fill up to 50% of the positions available on a job with "Regular Employees." Consequently, it was concluded that the evidence was insufficient to find a violation of the Act by the Union which followed past practice and procedure in its referral of you to the job in issue.

Accordingly, further proceedings on the matter were not warranted.

Very truly yours,

William A. Lubbers
General Counsel

By Mary M. Shanklin
Mary M. Shanklin
Acting Director
Office of Appeals

cc: Director, Region 15
Shelby E. Bohannon, Esq., B & S Building, 420 DeSoto Street, Alexandria, Louisiana 71301
Operating Engineers Local No. 406, 130 West 18th Street, Lake Charles, Louisiana 70501
Operating Engineers Local No. 406, 7270 Chef Menteur Blvd., New Orleans, Louisiana 70126
Jerry L. Gardner, Jr., Esq., 1400 Richards Bldg., 837 Gravier St., New Orleans, Louisiana 70112

Exhibit D

The CHAIRMAN. What sort of information did you provide the National Labor Relations Board to assist them in making their decision with regard to you?

Mr. TALIAFERRO. Well, sir, I had the names of six individuals that had been on this job as sideboom operators, and I also had a tape recording from C. J. Laird to me saying that he didn't know how the gentlemen got on the job, but the NLRB gentleman refused to listen to the tape, and I gave him the name——

The CHAIRMAN. He wouldn't even listen to it?

Mr. TALIAFERRO. No, sir. He said, in fact, if I even suspect you have a tape with you, I will have you locked up today. He was kind of irritable.

The CHAIRMAN. What was his name?

Mr. TALIAFERRO. Sir, I can't remember. It was on the papers and all, but I can't remember it. He was wanting to retire and get out, you know, one of those deals.

The CHAIRMAN. I see. Is his name Fallon W. Bentz?

Mr. TALIAFERRO. Yes; I believe that is correct, sir.

The CHAIRMAN. That is the name of the man who told you that, who worked for the NLRB?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. Just to repeat, you gave him the names of six individuals who were sent out on the Jennings, La., job; is that right?

Mr. TALIAFERRO. Yes, sir, I did.

The CHAIRMAN. They were sent out ahead of you?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. Five of the six, as I understand it, were from the New Orleans office and were outside of the Lake Charles jurisdiction; is that correct?

Mr. TALIAFERRO. Yes, sir, that is correct.

The CHAIRMAN. Now, the Jennings job, if I am correct—tell me if I am correct—the Jennings job fell within the Lake Charles jurisdiction.

Mr. TALIAFERRO. Yes, sir, you are very much correct.

The CHAIRMAN. So, in addition, none of those names appeared on the out-of-work list; is that right?

Mr. TALIAFERRO. Yes, sir, that is correct.

The CHAIRMAN. One other person, Sonny Mason—his name was on the list but it was below yours; is that correct?

Mr. TALIAFERRO. Yes, that is correct.

The CHAIRMAN. And yet he was referred out ahead of you?

Mr. TALIAFERRO. Yes; he has been referred out many times ahead of me, sir.

The CHAIRMAN. How do you know that the other five individuals were never signed out on the Lake Charles out-of-work list?

Mr. TALIAFERRO. Because I checked the list frequently, the pipeline list specifically, the one they would let me see, and I know that they weren't on this list, sir.

The CHAIRMAN. What were the names of the five persons who were sent to the Jennings, La., job, which was out of their jurisdiction but within your jurisdiction?

Mr. **Taliaferro**. Larry Nelson, Girby Comier, Paul Comeaux, Cooney, Felix Johnson, and there was his brother, another Johnson—I don't recall his first name, sir.

The **Chairman**. I see. Did the NLRB interview any of these individuals to find out if what you were telling them was true?

Mr. **Taliaferro**. Yes, sir.

The **Chairman**. Did they interview them?

Mr. **Taliaferro**. Oh. No, sir, not to my knowledge. They did not interview anyone. You are talking about the NLRB?

The **Chairman**. Yes.

Mr. **Taliaferro**. No, sir.

The **Chairman**. They didn't interview any of these individuals you just named?

Mr. **Taliaferro**. No, sir, not to my knowledge, they didn't.

The **Chairman**. Even though that would be the way to find out whether you were telling the truth or not?

Mr. **Taliaferro**. Yes, sir. This gentleman who came to interview me in the Ramada Inn in Alexandria said, "We just don't have the gas or the time." And he said, "You're causing me a lot of trouble."

The **Chairman**. So he just said, "You're causing a lot of trouble; we don't have the time to do it"?

Mr. **Taliaferro**. He certainly did.

The **Chairman**. Do you think that your case before the NLRB would have turned out differently if the Board had interviewed the individuals whose names you just gave to the committee and you gave to the Board?

Mr. **Taliaferro**. Yes, sir.

The **Chairman**. Did you give those names to the Board?

Mr. **Taliaferro**. Yes, sir.

The **Chairman**. So if they had interviewed them, you think it would have turned out differently?

Mr. **Taliaferro**. Yes, sir, I really do.

The **Chairman**. Do you know of any other individuals who contended that they were jumped on the referral list at any time?

Mr. **Taliaferro**. Yes, sir. I know there were a lot of people that were jumped on the referral list.

The **Chairman**. Let me put into the record at this time without objection Taliaferro exhibit No. 4, which contains affidavits of a number of people concerning that particular point. We will just put those in the record at this time.

Mr. **Taliaferro**. All right.

[Taliaferro exhibit No. 4 follows:]

Telephone Exhibit
No. 4

STATE OF LOUISIANA

PARISH OF CALCASIEU

The undersigned individuals whose names, addresses, and telephone numbers appear below, who have declared that they are dues-paying members in good standing of International Union of Operating Engineers, Local 406, District 5, Lake Charles, Louisiana, and this Local is managed by Willard S. Carlock, Sr. and C. J. Laird, whose titles are Assistant Business Agent, and further state as follows:

The local union maintains an exclusive hiring hall procedure, which means contractors must always call the hall for workers and workers cannot solicit their own jobs at the trade. For this purpose, a list of out of work members is kept. Referrals for work then must be made in order the names appear on the list.

The assistant business agents, Carlock and Laird, have not referred the undersigned for work in proper sequence, but have instead referred members behind them on the hiring list, or referred members not on the list at all, for work the undersigned were entitled and qualified for.

Furthermore, the out of work list is not open to public view at all times and can only be seen by request and then only briefly without opportunity to study it or copy it, and after harassment, hindrance and intimidation by Carlock and Laird.

Permission is granted to exhibit this document to anyone with an interest in this matter.

WITNESS:

Jerry Hatch
(Name)
P.O. Box 933 Westlake La.
(Address)
[illegible]
(Tele. #)

James L. Doucet
(Name)
P.O. BOX 933 IOWA, LA
(Address)
P.O.-582-3605
(Tele. #)

WITNESS:

Jerry Hatch
(Name)
P.O. Box 933 Westlake La.
(Address)
[illegible]
(Tele. #)

[illegible]
(Name)
512 Vincent Ln.
(Address)
6259919
(Tele. #)

WITNESS:

Jerry Hatch
(Name)
P.O. Box 933 Westlake La.
(Address)
[illegible]
(Tele. #)

David E. LeDoux
(Name)
1112 Matilda St. Westlake, LA
(Address)
318-436-6376
(Tele. #)

BEFORE ME, the undersigned authority, came and appeared the undersigned individuals whose names, addresses, and telephone numbers appear below, who upon oath declared that they are dues-paying members in good standing of International Union of Operating Engineers, Local 406, District 5, Lake Charles, Louisiana, and this Local is managed by Willard S. Carlock, Sr. and C. J. Laird, whose titles are Assistant Business Agent, and further state as follows:

The local union maintains an exclusive hiring hall procedure, which means contractors must always call the hall for workers and workers cannot solicit their own jobs at the trade. For this purpose, a list of out of work members is kept. Referrals for work then must be made in order the names appear on the list.

The assistant business agents, Carlock and Laird, have not referred the undersigned for work in proper sequence, but have instead referred members behind them on the hiring list, or referred members not on the list at all, for work the undersigned were entitled and qualified for.

Furthermore, the out of work list is not open to public view at all times and can only be seen by request and then only briefly without opportunity to study it or copy it, and after harassment, hindrance and intimidation by Carlock and Laird.

Permission is granted to exhibit this document to anyone with an interest in this matter.

NAME	ADDRESS	PHONE
C. J. Fontenot	3201 Hodges	439-2253
Craig Edwards	1108 Guillory Westlake La.	
[illegible]	Rt 15 Box 1232 [illegible]	8557255
Larry Crooker	1825 Illinois St. Lake Charles	477-6483

SWORN TO AND SUBSCRIBED Before Me, Notary, this 14th day of December, 1983, at my office in Lake Charles, Louisiana.

NOTARY PUBLIC

WITNESS:

(Name)	(Name)
(Address)	(Address)
(Tele. #)	(Tele. #)

STATE OF LOUISIANA

PARISH OF CALCASIEU

BEFORE ME, the undersigned authority, personally came and appeared:

Jerry Hatch

who upon oath have declared that he is one of the subscribing witnesses in the above and foregoing document and declares that this instrument was signed by the individuals of their own free will.

Jerry Hatch

SWORN TO AND SUBSCRIBED Before Me, Notary, this 18th day of Dec, 19 87, at my office in Lake Charles, Louisiana.

Vannie L. Tyner

NOTARY PUBLIC

BEFORE ME, the undersigned authority, came and appeared the undersigned individuals whose names, addresses, and telephone numbers appear below, who upon oath declared that they are dues-paying members in good standing of International Union of Operating Engineers, Local 406, District 5, Lake Charles, Louisiana, and this Local is managed by Willard S. Carlock, Sr. and C. J. Laird, whose titles are Assistant Business Agent, and further state as follows:

The local union maintains an exclusive hiring hall procedure, which means contractors must always call the hall for workers and workers cannot solicit their own jobs at the trade. For this purpose, a list of out of work members is kept. Referrals for work then must be made in order the names appear on the list.

The assistant business agents, Carlock and Laird, have not referred the undersigned for work in proper sequence, but have instead referred members behind them on the hiring list, or referred members not on the list at all, for work the undersigned were entitled and qualified for.

Furthermore, the out of work list is not open to public view at all times and can only be seen by request and then only briefly without opportunity to study it or copy it, and after harassment, hindrance and intimidation by Carlock and Laird.

Permission is granted to exhibit this document to anyone with an interest in this matter.

NAME	ADDRESS	PHONE
Jerry Hatch	PO Box 733 Westlake La	4395699
[illegible]	Rt 3 Box 5780 L.C. La.	4228992
Clarence R. Verrett	PO Box 467 L C La	5826763
Alton T. [illegible]	3821 Janet Lane L.C.La.	4775432
[illegible] Johnson	4249 5th Ave L.C. LA.	477-3556
[illegible]	330 [illegible]	625-4205
John C. [illegible]	Rt 9 Box 134 L.C. La.	855-4898

SWORN TO AND SUBSCRIBED Before Me, Notary, this 14th day of December, 1983, at my office in Lake Charles, Louisiana.

NOTARY PUBLIC

The undersigned individuals whose names, addresses, and telephone numbers appear below, who have declared that they are dues-paying members in good standing of International Union of Operating Engineers, Local 406, District 5, Lake Charles, Louisiana, and this Local is managed by Willard S. Carlock, Sr. and C. J. Laird, whose titles are Assistant Business Agent, and further state as follows:

The local union maintains an exclusive hiring hall procedure, which means contractors must always call the hall for workers and workers cannot solicit their own jobs at the trade. For this purpose, a list of out of work members is kept. Referrals for work then must be made in order the names appear on the list.

The assistant business agents, Carlock and Laird, have not referred the undersigned for work in proper sequence, but have instead referred members behind them on the hiring list, or referred members not on the list at all, for work the undersigned were entitled and qualified for.

Furthermore, the out of work list is not open to public view at all times and can only be seen by request and then only briefly without opportunity to study it or copy it, and after harassment, hindrance and intimidation by Carlock and Laird.

Permission is granted to exhibit this document to anyone with an interest in this matter.

WITNESS:	
Trueman Johnson (Name)	Roy Smith (Name)
4249 5Th AVE APT W-12 (Address)	105 Sygnis Rd. L.C. LA. (Address)
L.C. LA 318-477-3556 (Tele. #)	477-2691 (Tele. #)
WITNESS:	
Trueman Johnson [redacted] (Name)	[illegible] (Name)
4249 5TH AVE APT W-12 L.C. LA (Address)	[illegible] (Address)
318-477-3556 (Tele. #)	[illegible] (Tele. #)
WITNESS:	
Trueman Johnson (Name)	Roger C Moore (Name)
4249 5TH AVE APT W-12 L.C. LA (Address)	Rt 11 Box 64 L.C (Address)
318-477-3556 (Tele. #)	855 4221 (Tele. #)

WITNESS:

(Name)	(Name)
(Address)	(Address)
(Tele. #)	(Tele. #)

STATE OF LOUISIANA

PARISH OF CALCASIEU

BEFORE ME, the undersigned authority, personally came and appeared:

TRUMAN JOHNSON

who upon oath have declared that he is one of the subscribing witnesses in the above and foregoing document and declares that this instrument was signed by the individuals of their own free will.

Truman Johnson

SWORN TO AND SUBSCRIBED Before Me, Notary, this 19 day of Dec, 1953, at my office in Lake Charles, Louisiana.

NOTARY PUBLIC

The CHAIRMAN. Now, Mr. Taliaferro, have you ever had any business relationships with the local 406 business agent, Mr. Carlock?

Mr. TALIAFERRO. Yes, sir, I have.

The CHAIRMAN. Whom were you representing at the time of these business dealings, and what position of responsibility did you hold or have at that time?

Mr. TALIAFERRO. I was representing Mr. Burt Thorpe, who owns Service Rental Equipment of Pittsburgh, Pa.

The CHAIRMAN. What was your position?

Mr. TALIAFERRO. I was the general superintendent in north Louisiana over his heavy equipment.

The CHAIRMAN. So you were in charge of equipment rental?

Mr. TALIAFERRO. Rental. Yes, sir.

The CHAIRMAN. How long were you employed with this company?

Mr. TALIAFERRO. Approximately 5 years, sir.

The CHAIRMAN. Is that from about 1972 to 1977?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. Could you describe your business relationship with Mr. Carlock during that time?

Mr. TALIAFERRO. Yes, sir. During this period of time, there was a job at Fort Polk, La., that I wanted to put some equipment on, and I went up there one day to approach the master mechanic, and he said Mr. Carlock would be there later. So he and I got together and we worked out an arrangement that I would pay him cash money per week for every piece of equipment I put on the job in the Lake Charles area. Fort Polk, La., was in his jurisdiction.

The CHAIRMAN. So you were making arrangements, then, with Mr. Willard Carlock to place equipment from Service Rental, the company you worked for, on construction sites. Did you have to pay anything to do that?

Mr. TALIAFERRO. Yes, sir, I did. I paid the gentleman $50 to $100 a week, depending on which equipment was rented.

The CHAIRMAN. You paid what gentleman?

Mr. TALIAFERRO. Mr. Willard Carlock, Sr.

The CHAIRMAN. Did you consider that a legitimate payment?

Mr. TALIAFERRO. No, sir. And another thing, it kind of helped keep down the equipment being torn up, sabotaged, or what have you.

The CHAIRMAN. So what you were doing was paying off Mr. Carlock so that he would choose your equipment over other people's equipment? Is that correct?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. And he was taking that money, and you knew why he was taking it?

Mr. TALIAFERRO. I knew he was taking it, sir, but I didn't know——

The CHAIRMAN. OK. When construction companies came into Lake Charles from out of State, is it true that Willard Carlock would approach them and tell them that they were to rent their equipment from Service Rental and not to consider doing otherwise?

Mr. TALIAFERRO. Yes, sir, that is correct.

The CHAIRMAN. And as I understand it, from that service that he rendered to you or to Service Rental, you were required to pay Mr. Carlock a percentage for every piece of equipment that was rented. Am I correct on that?

Mr. TALIAFERRO. Yes, sir; that is correct.

The CHAIRMAN. Every piece that was placed on the job site, in other words?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. You paid a payoff to Mr. Carlock?

Mr. TALIAFERRO. That is correct.

The CHAIRMAN. You mentioned earlier that you were with Service Rental for a period of approximately 5 years, from 1972 through 1977. Did this practice of making these illegal payments to Mr. Carlock in exchange for your placing equipment on various job sites, did that continue the entire time you were with this particular company?

Mr. TALIAFERRO. Yes, sir; right up to the very end, sir. I had opened up an office in Lake Charles at that time, also.

The CHAIRMAN. Would you be kind enough to provide to our committee here the names of some of the outside contractors that were placed in a position of having to rent their equipment from Service Rental?

Mr. TALIAFERRO. Yes, sir. Algernon Blair—I believe they are out of Alabama, sir—and a pile-driving concern, Raymond International, San Francisco, Calif.

The CHAIRMAN. That was a pile-driving company?

Mr. TALIAFERRO. Yes, sir; Raymond International.

The CHAIRMAN. And Algernon is A-L-G-E-R-N-O-N?

Mr. TALIAFERRO. Yes, it is.

The CHAIRMAN. Blair, B-L-A-I-R.

Mr. TALIAFERRO. That is correct.

The CHAIRMAN. Where was he from?

Mr. TALIAFERRO. I believe he was from Alabama, sir.

The CHAIRMAN. You are saying the Algernon Blair job was at Fort Polk, La.?

Mr. TALIAFERRO. That is correct.

The CHAIRMAN. And was that where you were building barracks at an Army base?

Mr. TALIAFERRO. Yes, that is correct.

The CHAIRMAN. That job, as I understand it, lasted about 3 years. Am I correct on that?

Mr. TALIAFERRO. It did. I had equipment there that long.

The CHAIRMAN. Well, let me be sure I understand, Mr. Taliaferro. You were saying that contractors, when they came into the Lake Charles area, were told to use your equipment company for referrals. Now, what happened if they ignored that instruction?

Mr. TALIAFERRO. Well, there was one gentleman that ignored it when we were building a powerhouse down in Lake Charles, and he had to leave Lake Charles because he couldn't find anyone that would rent him any more equipment, sir.

The CHAIRMAN. Is that right? What kind of equipment did you normally rent?

Mr. TALIAFERRO. Cherrypickers, motor cranes, and also we were in the trucking business at the time.

The CHAIRMAN. Were these 15- to 20-ton cherrypickers?

Mr. TALIAFERRO. Yes, sir. We had 15- to 40-ton pickers and up to 75-ton motor cranes.

The CHAIRMAN. Could you tell us what were the customary amounts you paid Mr. Carlock for the rental of this type of equipment?

Mr. TALIAFERRO. Well, it would depend on what he would say. It would vary, sir, from $50 to $100 on each piece of equipment.

The CHAIRMAN. That is for each piece of equipment rented per week?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. Did you make these payments personally to him?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. Or were you just a conduit from the renter to Mr. Carlock?

Mr. TALIAFERRO. I was more or less—I made them personally to Mr. Carlock.

The CHAIRMAN. I see. Were the payments made by check or were they always in cash?

Mr. TALIAFERRO. No, sir; he always wanted cash.

The CHAIRMAN. Could you tell us the total amount of payoffs that you made to Mr. Carlock between 1972, say, and 1976?

Mr. TALIAFERRO. I would have to say in a minimum of $10,000.

The CHAIRMAN. So you are saying that between $50 and $100 per piece of equipment placed on each jobsite, each piece of equipment, and that over the years of, say, 1972 to 1976, you would estimate it would be $10,000 plus?

Mr. TALIAFERRO. I would say that would be a minimum, $10,000.

The CHAIRMAN. You say that would be the minimum of what you paid?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. It could have been much more?

Mr. TALIAFERRO. It could have been more, yes.

The CHAIRMAN. And it was all in cash?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. Never by check?

Mr. TALIAFERRO. No, sir.

The CHAIRMAN. Could you explain to us why you left the Service Rental Co. back in 1977?

Mr. TALIAFERRO. Yes, sir. Mr. Thorpe had sold out to a Dave Trayhan, who was with Foster Weaver across the Nation, which is a large contractor, and he came to Louisiana. Thorpe sold out to him, and about 6, 7 months later he and Mr. Carlock became real close, and Mr. Carlock would use his lowboys to haul Mr. Carlock's dozers around Lake Charles, so they decided they no longer needed me for the middleman, that they could deal directly with Mr. Trayhan.

The CHAIRMAN. So you just were terminated, then?

Mr. TALIAFERRO. Yes, sir, I was terminated.

The CHAIRMAN. Did you enter into any other business relationships with Mr. Carlock after you left the Service Rental Co.?

Mr. TALIAFERRO. Well, Mr. Thorpe tried to enter some business relationship with him again. He wanted to open up another place in Lake Charles and let me manage it and run it for him, but I had set up a meeting with Mr. Willard Carlock at the union hall on 18th Street for Mr. Thorpe, and he went into this meeting alone, which Carlock demanded, and when Thorpe came back out, he said, "Howard, I'm sorry to tell you this, but I am not going to be able to open up here. The man wants too much money for me to stay in Lake Charles."

The CHAIRMAN. I see. Now, you met with Mr. Thorpe at a Holiday Inn in Lake Charles?

Mr. TALIAFERRO. That is correct. That is when he first came to town.

The CHAIRMAN. That was about 8 or 9 months after you were relieved of your job at Service Rental?

Mr. TALIAFERRO. Yes, sir, that is correct.

The CHAIRMAN. Now, he had told you that he no longer had control over Service Rental, but he wanted to get back into the business, and I think he asked you to be his master mechanic or general manager in charge of all equipment. Is that right?

Mr. TALIAFERRO. He did. That is right.

The CHAIRMAN. So then you made arrangements for him to meet with Mr. Carlock, and then Mr. Thorpe decided he couldn't get back in the business because Mr. Carlock was demanding too much at that time?

Mr. TALIAFERRO. That is right. He said he couldn't pay the price.

The CHAIRMAN. Did he speak of these payments as payoffs?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. He knew what they were?

Mr. TALIAFERRO. Yes, sir. He said he could not afford to pay the man the price he asked to operate in Lake Charles.

The CHAIRMAN. Now, during your tenure with Operators Local 406, did you ever hear of and/or participate in a defense fund for Willard Carlock?

Mr. TALIAFERRO. Yes, sir, I have heard of it many, many times.

The CHAIRMAN. Well, you were there—how about during the past 8 years? You say you heard of and actually participated or witnessed in certain defense fund payments to Mr. Carlock on numerous occasions. Is that correct?

Mr. TALIAFERRO. Yes, sir, that is correct.

The CHAIRMAN. Did you ever contribute to the fund?

Mr. TALIAFERRO. No, sir, I never did.

The CHAIRMAN. Were you ever approached to contribute to the defense fund?

Mr. TALIAFERRO. Yes, sir, I was.

The CHAIRMAN. On how many occasions?

Mr. TALIAFERRO. Numerous occasions, sir.

The CHAIRMAN. On numerous job sites?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. Are you aware of any money takeups on the T. L. James job at the liquefied natural gas plantsite?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. Would you please explain what detail you recall regarding money takeups; that is, including amounts contributed and by whom.

Mr. **Taliaferro**. They had a union steward there by the name of Ronnie Leger, and at this time we had approximately 65 to 75 operators on this job.

The **Chairman**. Was Johnny Horton the master mechanic on that job?

Mr. **Taliaferro**. Johnny Horton was the master mechanic. Ronnie Leqer was a steward. Ronnie called all the operators in the little shack—we had a nice little shack set up there as usual—and he said, "Mr. Carlock wants and needs $100 a week from each individual on this job, and it would be best and to your interest to bring it because this is an overtime job, and Willard Carlock has provided this opportunity for you people, and he expects some money."

The **Chairman**. Well, how did they expect you to pay that kind of money out of your paycheck?

Mr. **Taliaferro**. They didn't really care, Senator, as long as—there were some people weak enouqh to go ahead and pay the man. There were a lot of people from out of State who would come in, and they wouldn't have anywhere to live or what have you, and there would be 406 operators sitting on the bench that were not out of this local, and the out-of-State hands would be willing to pay this money to work in Louisiana.

The **Chairman**. You are saying there were out-of-State workers on the job at that particular point?

Mr. **Taliaferro**. Yes, sir, there were a number of them.

The **Chairman**. And these people were also asked to contribute $100 a week out of their paychecks?

Mr. **Taliaferro**. That is correct, sir.

The **Chairman**. Was it every week or just one time?

Mr. **Taliaferro**. No, sir, that is not one time; that is every week.

The **Chairman**. They expected them to contribute to Mr. Carlock?

Mr. **Taliaferro**. That is correct.

The **Chairman**. Both the in-State and the out-of-State workers?

Mr. **Taliaferro**. That is correct.

The **Chairman**. So the out-of-State workers felt they had to do it or they would—they didn't have any place to live or any job, and they would have to try to find their way back home.

Mr. **Taliaferro**. Well, why work in Texas for $200 a week when you can work in Louisiana for $1,200 and give $100 to the business agent? Basically, that is what happened. We were working 7 15-hour days.

The **Chairman**. Is that what they told you?

Mr. **Taliaferro**. Yes, sir. They were working 40 hours in Texas; we were working 7 15-hour days on this job.

The **Chairman**. I see. As I understand it, Leqer told you and some of the other workers that Carlock had fixed the job so that the operators could get overtime. Is that right?

Mr. **Taliaferro**. Yes, sir, that is right.

The **Chairman**. You were working actually 7 15-hour days a week. Is that right?

Mr. **Taliaferro**. Yes, sir, that is correct.

The CHAIRMAN. Now, did his representatives make the people feel as though their jobs were on the line if they didn't pay this $100 a week to the defense fund for Mr. Carlock?

Mr. TALIAFERRO. Definitely, sir. They had every henchman in the Lake Charles area that works for Willard Carlock on this job to make damn sure they did pay their $100.

The CHAIRMAN. Are you personally aware of any instances where individual members were punished for refusing to take part in these defense fund raisings?

Mr. TALIAFERRO. Yes, sir. On this T. L. James, we are speaking about—Johnny Horton was a master mechanic. Ronnie Leger was the steward, and one morning, Donald Cautheron, who was a member of local 406, had had a disturbance with Johnny Horton and Leger over the $100 contribution, and he was fired.

The CHAIRMAN. He was fired right there on the spot?

Mr. TALIAFERRO. Yes, sir. He went to the pickup to get his gun, and when he came back, the other two people had their guns. This is a true statement. They were going to have a killing. So they fired him and they ran him back to the union hall. When he got back to the union hall, he had been there approximately 20 or 30 minutes, and Willard Carlock, Jr., and Ronnie Leger came into the union hall and beat the living hell out of him.

The CHAIRMAN. Did they do more than that to Mr. Cautheron?

Mr. TALIAFERRO. Yes, sir. When he got outside to his pickup truck, they had raised the hood on his pickup, beat the battery, tore the engine up with wrenches.

The CHAIRMAN. Do you personally know that this happened?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. How do you personally know?

Mr. TALIAFERRO. I saw it, sir.

The CHAIRMAN. You saw it.

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. Were there forced collections of money at other job sites?

Mr. TALIAFERRO. Yes, sir.

The CHAIRMAN. What about the Olin Chemical Wiese construction job in early 1979? Was that one of the occasions?

Mr. TALIAFERRO. Yes, sir, that was one of the occasions.

The CHAIRMAN. As I understand it, one evening Mike Greer gathered the operators together and told them that Mr. Carlock needed help with his legal fees and asked that each man contribute $50 a week. Is that correct?

Mr. TALIAFERRO. Yes, that is true.

The CHAIRMAN. Were you there?

Mr. TALIAFERRO. Yes, I was.

The CHAIRMAN. So you witnessed this?

Mr. TALIAFERRO. I certainly did.

The CHAIRMAN. The operators were instructed to bring it with them on Friday afternoon so that Mr. Leger could pick it up. Is that right?

Mr. TALIAFERRO. That is correct.

The CHAIRMAN. As I understand it, you, yourself, were approached by this Mike Greer and Ronnie Leger, and you were asked why you didn't feel as though you had to contribute like everybody else. Is that correct?

Mr. **TALIAFERRO**. That is true.

The **CHAIRMAN**. What did you tell them?

Mr. **TALIAFERRO**. I told them I didn't feel like I owed him anything. I wasn't paying anything for Willard Carlock to do anything, that it was illegal.

The **CHAIRMAN**. Had you made some payments in the past?

Mr. **TALIAFERRO**. No, sir, I had never made a payment to the defense fund. I told the FBI about this incident, which—you know, that is why we are trying to get a new hearing, to get something done with the U.S. attorney. We got on TV and asked for an investigation on this 1979 incident we are talking about, and they never would answer our letter or even return a phone call.

The **CHAIRMAN**. Let's see, where was your home at that time?

Mr. **TALIAFERRO**. Alexandria, La.

The **CHAIRMAN**. What happened after you refused to make these payments to Mr. Carlock?

Mr. **TALIAFERRO**. Well, the next night, when I came back to get my equipment, they met me at the gate, and they said, "I'm sorry, that piece has been laid off. It is no longer needed."

The **CHAIRMAN**. So you were laid off?

Mr. **TALIAFERRO**. Yes, sir.

The **CHAIRMAN**. Was anybody else laid off for refusing to contribute to Mr. Carlock?

Mr. **TALIAFERRO**. Yes, sir. There was a 450 hand out of Texas by the name of Kermit Johnson.

The **CHAIRMAN**. And he was out of Texas?

Mr. **TALIAFERRO**. Yes, sir, out of 450.

The **CHAIRMAN**. So he was out of State?

Mr. **TALIAFERRO**. Yes, sir.

The **CHAIRMAN**. I see, but he was a union member?

Mr. **TALIAFERRO**. Yes, sir.

The **CHAIRMAN**. And he was working on the job at the time?

Mr. **TALIAFERRO**. Yes, sir.

The **CHAIRMAN**. And he was laid off?

Mr. **TALIAFERRO**. Yes, sir.

The **CHAIRMAN**. For the same reason?

Mr. **TALIAFERRO**. Yes, sir.

The **CHAIRMAN**. How do you know that?

Mr. **TALIAFERRO**. Well, he told me. He and I were talking and he said, "Hell, I guess I'm gone because I didn't pay." I said, "Well, I'm sure that is why I'm gone, because I am not paying." He said he wasn't, either.

The **CHAIRMAN**. Are there any other actions of Mr. Carlock that you consider to be abusive of his office as business agent or as union leader?

Mr. **TALIAFERRO**. Yes, sir, I think there are a lot of them, but there is one in particular recently, on a man that owned a trailer in Lake Charles.

The **CHAIRMAN**. OK. Is that A. J. Ardoin?

Mr. **TALIAFERRO**. Mr. A. J. Ardoin; yes, sir. I am trying to put this trailer in perspective where you know what I am talking about.

The **Chairman**. OK.

Mr. **Taliaferro**. He had a 40-foot float—I'll put it more like that—or a 42-foot float that you pull behind a truck, and he was wanting to sell this equipment, and some way or another Mr. Carlock found out about it, and Mr. A. J. Ardoin had never been a member of the Operating Engineers; he didn't know anything about equipment.

So he and Mr. Carlock got together and they made a deal that he would pay off one of the trailers, make payments on the other at a bank in Lake Charles, and would give the man $1,500 equity in the trailer that he had that he was making payments on, Mr. Willard Carlock.

So, in the meantime, he told the man, he said, "Why don't you come on, let me put you to work? I will put you to work out of the hall," which he did. The man had no union book, didn't know how to spell the word "union," so when it came down to time to get his money for the trailer Mr. Carlock told him to go to hell. He said, "I've already given you enough. I paid you for this trailer, and I don't feel like I owe you a damn thing." But he has been working the man out of the hall, and this happened a year ago, and, in my opinion, that is extortion.

The **Chairman**. Let me enter at this time in the record, without objection, Taliaferro exhibits No. 5, 6, and 7.

Exhibit No. 5 is a motor vehicle lease agreement. Exhibit No. 6 is a statement by Beverly Smith. Exhibit No. 7 is a statement by Mr. A. J. Ardoin.

Mr. **Taliaferro**. That is correct.

[Taliaferro exhibits Nos. 5, 6, and 7 follow:]

1

Tabiletto Exhibit No. 5

Trailer No.　　　　Lease/Tractor No. 65521

MOTOR VEHICLE LEASE AGREEMENT

I AGREEMENT:

For and in consideration of the compensation set forth in Section IV of this agreement Willard Carlock hereinafter called INDEPENDENT CONTRACTOR agrees to lease to [illegible] Truck Lines hereinafter called CARRIER the equipment described in Section III hereof together with qualified drivers and CARRIER agrees to lease said equipment from INDEPENDENT CONTRACTOR for the purpose of loading and transporting such property as CARRIER may direct. In witness whereof CARRIER and INDEPENDENT CONTRACTOR hereby enter into this agreement this 16 day of August, 19 82, which shall be the effective date hereof, and agree to be bound by all the terms thereof as set forth in the nine page document entitled Schedule A which schedule is made a part hereof the same as if it were fully set forth herein.

Willard S. Carlock Sr.
SIGNATURE OF INDEPENDENT CONTRACTOR OR AUTHORIZED REPRESENTATIVE

SIGNATURE OF CARRIERS AUTHORIZED AGENT OR EMPLOYEE

II IDENTIFICATION OF INDEPENDENT CONTRACTOR:　　Phone 527-0617

INDEPENDENT CONTRACTOR Willard Carlock　　S. S. or FED. ID. NO 437-22-3431

ADDRESS 605 McKay　　CITY, STATE & ZIP Sulphur La

III IDENTIFICATION OF EQUIPMENT:

TYPE	MAKE	YEAR	BODY TYPE	SERIAL NO.	STATE	LIC. NO.
Truck	Int	'74	COE	[illegible]	La	[illegible]59801

IV SCHEDULE OF COMPENSATION:

TRACTOR 64%

TRAILER

V RECEIPT OF EQUIPMENT:

CARRIER hereby acknowledges receipt of the Equipment described in this Lease.

Hour ______ a.m. p.m.　Date　　By

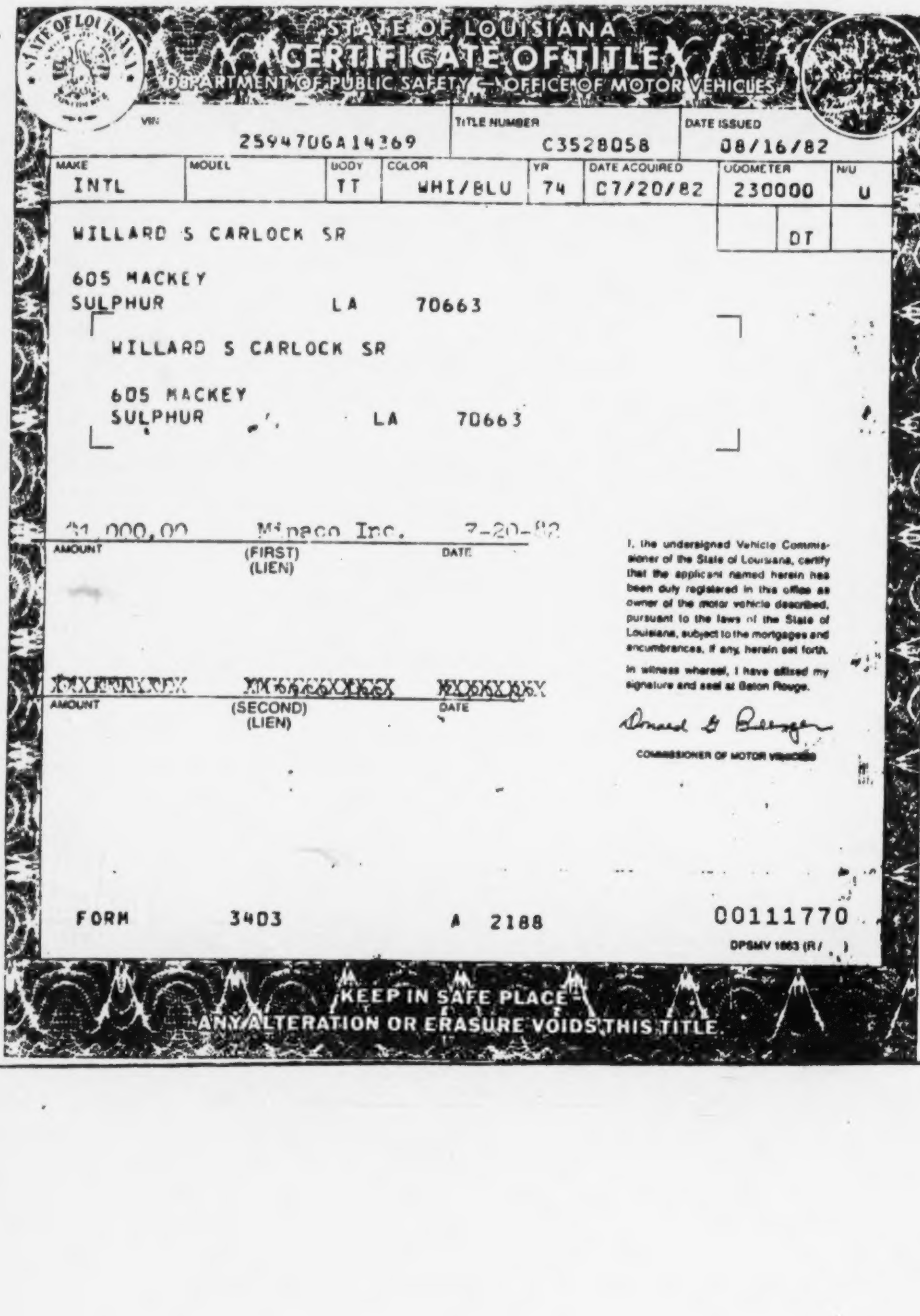
W. J. Lilly Jr.

VI RELEASE OF EQUIPMENT (TO BE COMPLETED ON TERMINATION OF THE LEASE)

INDEPENDENT CONTRACTOR hereby acknowledges receipt of the Equipment described in this Lease.

Hour ______ a.m. p.m.　Date ______ Place ______

Independent Contractor Signature ______



STATE OF LOUISIANA

CERTIFICATE OF TITLE

DEPARTMENT OF PUBLIC SAFETY — OFFICE OF MOTOR VEHICLES

VIN	TITLE NUMBER	DATE ISSUED
2594706A14369	C3528058	08/16/82

MAKE	MODEL	BODY	COLOR	YR	DATE ACQUIRED	ODOMETER	N/U
INTL		TT	WHI/BLU	74	07/20/82	230000	U
						DT	

WILLARD S CARLOCK SR

605 MACKEY
SULPHUR LA 70663

WILLARD S CARLOCK SR

605 MACKEY
SULPHUR LA 70663

$1,000.00 Mipaco Inc. 7-20-82
AMOUNT (FIRST) (LIEN) DATE

[illegible] [illegible] [illegible]
AMOUNT (SECOND) (LIEN) DATE

I, the undersigned Vehicle Commissioner of the State of Louisiana, certify that the applicant named herein has been duly registered in this office as owner of the motor vehicle described, pursuant to the laws of the State of Louisiana, subject to the mortgages and encumbrances, if any, herein set forth.

In witness whereof, I have affixed my signature and seal at Baton Rouge.

COMMISSIONER OF MOTOR VEHICLES

FORM 3403 A 2188 00111770

DPSMV 1663 (R/)

KEEP IN SAFE PLACE —
ANY ALTERATION OR ERASURE VOIDS THIS TITLE

Taliaferro Exhibit No. 6

My name is Beverly Smith. On or about the 21st day of Nov, 1983, I was engaged in a conversation with Clyde Creel; that the said conversation was recorded on a tape recorder; the tape recorded conversation was reduced to writing in a question and answer form.

All statements and answers made by me during the conversation with Clyde Creel are true to the best of my information, knowledge and belief.

WITNESSES:

Clyde Creel

Truman Johnson

Beverly Smith
BEVERLY SMITH

STATE OF LOUISIANA

PARISH OF CALCASIEU

BEFORE ME, the undersigned authority, personally came and appeared CLYDE CREEL, who after being duly sworn, deposed and declared that he was a witness to the signature of Beverly Smith in the above and foregoing statement. That he knows of his own knowledge that the said Beverly Smith signed the above statement as her own free act and deed.

Clyde Creel
CLYDE CREEL

SWORN TO AND SUBSCRIBED Before Me, Notary Public, on this 25th day of January, 1984, at Lake Charles, Louisiana.

Irene L. Hebert
NOTARY PUBLIC

BEVERLY SMITH: Tape recorded conversation between CLYDE CREEL and BEVERLY SMITH.
Secretary for WILLIARD CARLOCK FROM 1973 to 1976.

C: "Were you ever employed by local 406?"

S: "Yes, I was."

C: "What period of time?"

S: "I think it was 73' to 76'."

C: "Three years. In those three years what was your job and duties?"

S: "I was secretary to WILLIARD CARLOCK and my duties were (doing) office work."

C: "Just general office work?"

S: "General office work."

C: "Were you the only person in there at the time?"

S: "No, I wasn't. I worked with WILDA CARMIER and then AREDA."

C: "During this period of time (was) there anything done that we would call, possibly out of the ordinary, that did not run in conjunction with the way the Union Hall itself was suppose to be run?"

S: "Well the biggest issue and I'm sure the main issue through the local was putting the man to work. And it was by the book. The top men naturally, had the jobs or were suppose to have them. I know that he did not go by that book. He sent out the men that he wanted, his friends, preferably his friends and I know for a fact he did that. He jumped the top men to put his men to work."

C: "I see. In otherwords through favortism, so to speak. He sent out people that were more or less his click or (had) done him favors?"

S: "Yes!"

C: "Could you give me a few of the names that you remember. I know its been a long time ago but that some of the names that you can remember of people that were possibly sent out on these jobs ahead of the other men for favors?"

S: "I can only think of a few of them. But MIKE GREER, (was) one of them. CHARLES DUBALOW was another, MICHAEL SCEMEMI, RONNIE LE'GER."

C: "Okay, let me mention a few mames and you just say yes or no if they possibly were a couple of them. I'll try and help you out. How about JOE LOVETT?"

S: "Not to my recollection."

C: "How about CLYDE SHERRIDAN?"

S: "Yes, CLYDE SHERRIDAN. I was trying to think of his name and I couldn't."

C: "How about SLIM KEMP from Oakdale."

S: "Nope, I can't remember that one."

C: "How about MONROE GRANAHAN?"

S: "Yeap! Sure was one of them."

C: "How about CLAY GRANAHAN?"

S: "No!"

C: "Are there any others that you can think of?"

S: "Well there's CARLOCK JUNIOR, naturally."

C: "That's WILLIARD'S son?"

S: "WILLIARD'S son. And GARLAND DAVIDSON."

C: "GARLAND DAVIDSON. Okay, that's a name. Did any other things that you didn't think were kosher, lets say, done, more or less...that you thought could of been possibly illegal? (Was) there anything done that you were ordered to do, were you ever threatened that you do this, keep your mouth shut or it would be your job or anything of that nature?"

S: "No he never threatened. I wouldn't of been there had he threatened me."

C: "How about any large amounts of money, in cash?"

S: "Oh definitely. There was of course, that was with the equipment. I was cashing checks for him. I didn't know what it was at first. After I started hearing about the equipment I kind of ifgured it on my own. But as far as remembering whom it was for or whatever, I mean from, I couldn't tell you that. But my knowledge, I knew it was equipment payoffs. In otherwords he was getting kickbacks from contractors?

C: "I see.

S: "Yeap!"

C: "You handled some of this money or?"

S: "I cashed a total of three of them for him."

C: "Checks."

S: "I don't know how it got back to him that I realized what it was. After that I didn't cash anymore. He didn't even ask me to do it. I don't know who told him that I probably queationed it or what. I think it was WILDA, that it was WILDA, working with me at that time and we figured it out together.

C: "What was her name?"

S: "Wilda CARMIER.

C: "Carmier, I see. You don't think that she was more or less on your side?"

S: "No, she wouldn't of said anything."

C: "I see."

S: "We couldn't say anything in that office without, I mean the walls took messages it looked like."

C: "Sure, I understand. Did you have authority to write referrals. Were you ever told by WILLIARD CARLOCK or any other official to write a referral out for so and so. He would be right in to pick it up. Would you elaborate on some of that?"

S: "Oh yes! There (was) a lot of times he would call me at home and tell me that so and so was going to be at the office at 6:30 to pick up the referral, put his name on it and that was it."

C: "And this was without looking at the books. Just send the man out?"

S: "Well I knew it wasn't. I mean the man wasn't even on th list. I didn't even know that the guy was out of work. I mean, you know, half the time these men didn't even get on the book. They were just sent on one job to another job."

C: "I understand. In otherwords they would not come in and sign the out of work list. They would just jump from job to job and without recognition of the out of work list."

S: "Yeap!"

Talilesse Exhibit No. 7

My name is A. J. Ardoin. On or about the 13th day of Dec., 1983, I was engaged in a conversation with Clyde Creel; that the said conversation was recorded on a tape recorder; the tape recorded conversation was reduced to writing in a question and answer form. Truman Johnson was present at the time the conversation took place and was recorded.

All statements and answers made by me during the conversation with Clyde Creel are true to the best of my information, knowledge and belief.

WITNESSES:

Clyde Creel

Truman Johnson

A. J. Ardoin
A. J. ARDOIN

STATE OF LOUISIANA

PARISH OF CALCASIEU

BEFORE ME, the undersigned authority, personally came and appeared CLYDE CREEL, who after being duly sworn, deposed and declared that he was a witness to the signature of A. J. Ardoin in the above and foregoing statement. That he knows of his own knowledge that the said A. J. Ardoin signed the above statement as his own free act and deed.

Clyde Creel
CLYDE CREEL

SWORN TO AND SUBSCRIBED Before Me, Notary Public, on this 25th day of January, 1984, at Lake Charles, Louisiana.

Irene L. Hebert
NOTARY PUBLIC

A.J.ARDOIN: Tape made in the presence of CLYDE CREEL and TRUMAN JOHNSON.

Route 1 Box 768
Louisiana 70647
582-3388 (318)

C: "MR. ARDOIN are you a member of Local 406?"

A: "No, I am not."

C: "Have you ever been a member of Local 406?"

A: "No."

C: "Have you ever worked through Local 406 as an operator or any other capacity?"

A: "Yes I have."

C: "Would you tell me approximately what dates that you worked?"

A: "I don't know the exact date but it was from approx, it was October of 82 to February 84."

C: "I see."

A: "In those months."

C: "Did you work any of this year?"

A: "Yea I worked January and February of this year."

C: "Did you work on a permit or how did you go out throught the Hall?"

A: "No. I just got out of the trucking business and WILLIARD CARLOCK found out that I had some trailors that I was wanting to get rid of, to sell. I was in a bind and he told me that if I could work something out with him on the trailors he'd see that I would work."

C: "Work something out with him. In otherword loan them to him or sell them to him. How was this going to work?"

A: "No just let him have them without paying a whole lot of equity on them. One of them he bought and just paid off the balance on it. The other one still in my name which he has been paying on it, GULF NATIONAL, with the understanding he pay me some equity."

C: "And has he ever paid you any equity?"

A: "No, he has not."

C: "I see. Now because you done this, what I mean by doing this for him, turning the trucks over to him, letting him assume the notes and buying a truck, he in turn let you go to work?"

A: "Right."

C: "Do you remember the name of the company at first when you first consumated the deal with him?"

A: "It was MASOLIN CONSTRUCTION out of Kansas City, Missouri."

C: "And that was here in Lake Charles area?"

A: "Lake Charles at the new Coke plant."

C: "How long did you work there, do you remember?"

A: "Approximately four and a half months."

C: "Four and a half months. Is that the only job that you worked through 406?"

A: "Yes."

C: "And you never carried a book and he just more or less let you have the job out of gratitude for letting him take over the?" (interruption)

A: "Right. He just gave me a referral and I went out there.

J: "Back to these trucks here, MR. ARDOIN, could you tell us where they were financed at?"

C: "One was financed with GMAC out of Lake Charles which is transferred to his name, paid off the balance. The other one's financed at GULF NATIONAL BANK in Lake Charles."

J: "The one at GULF NATIONAL BANK is still in your name, right?"

A: "That is correct."

J: "And he is just making payments through the bank in your name?"

A: "Right."

J: "This equity that he has made a deal on. How much equity were you suppose to eventually get out of this?"

A. "Well fifteen hundred dollars was what I was suppose to of gotten."

J: "That's for each trailor?"

A: "No, for that one at GULF NATIONAL BANK."

J: "Since then you have contacted him, I understand, trying to get your equity and he hasn't cooperated with you at all has he?"

A: "That's correct."

J: "Since then to you cannot work out of there on account of this, I'm sure. Is that right?"

A: "Well I've never been called back to work."

J: "Well he made it plain when he stated to you that whenever these trucks were bought, I mean these trailors, that he would show you favortism for just going to work. I mean you go up there, you probably didn't even know where the Hall was at this time, right?"

A: "No I didn't."

J: "You just walked up there, never had your name on no out of work list, no nothing Is that right?"

A: "Not that I know of, I've never signed no list."

J: "So you just walked in off the street and got you a job and you were gone?"

A: "Right."

J: "Cause, you know, we do have a out of work list, people might be on the out of work list for six months, year, whatever. They should of had that job ahead of you. But it's no reflection to you about this. It's just the way that 406's business agent runs the business there."

C: "You had mentioned earlier that the other business agent that works with MR. CARLOCK, C.J. LAIRD had contacted you on something about keeping quiet. Could you in your own words just tell me what took place. Did he call you or come out or what happened?"

A: "Well one afternoon I got a call here at home. I just come back and he called me here, asked me if I'd be here, he'd be here in just a few minutes. And he needed to talk to me and he arrived about twenty minutes later."

C: "Was C.J. LAIRD."

A: "Right, C.J. LAIRD. And C.J. told me that if anybody would talk to me about the trailors or any kind of a deal that we had with the trailors, just not to say anything and just keep it quiet because there was some people that was out to cause them some problems and they didn't want any problems."

C: "In otherwords, evidently they knew there was some wrong doing on their part and they just wanted it absolutely squashed. They didn't want nobody to find out."

A: "Well it seemed that way."

C: "After you finished up with the job that you had went out on for four months there at MASMAN and you were eventually laid off, right?"

A: "Right."

C: "Did you go back with the Hall and sign the out of work list?"

A: "No."

C: "You didn't?"

A: "I was never notified. I never did go back up there."

C: "In otherwords, he let you have a little bit of work for you turning the trailors over to him and then out of favortism, and then he turned right around and didn't give you another job. Never called you again?"

A: "No I never got called again. But I've been back up there trying to get my fifteen hundred dollars, which I can't get."

C: "Yes, he keeps putting me off, telling me that I will get it eventually in the near future."

STATE OF LOUISIANA

CHATTEL MORTGAGE

THIS AGREEMENT.

Entered into on **February 24** 19**81**

by and between the herein named and undersigned Mortgagor, domiciled in the State of Louisiana, parish designated herein, and the hereinafter designated and undersigned Mortgagee, WITNESSETH:

The Mortgagor is justly and truly indebted unto Mortgagee in the sum of

DIRECT LOAN

Name: A. J. Ardoin			
Address: Rt. 1 Box 310A Iowa, La. 70647			
Employer: Self Employed		Home: 582-3388	
Disc: 132754	Life Ins: 171.22	A&H Ins: -0-	OK'd By: JW
SCHEDULE OF PAYMENTS			
No. of Insts: 36	1st Inst. Due: 4-1-81	Amt. of ea. Inst: 15766	Amt. of Note: 567576
Contractual Maturity Date: 3-1-84		ANNUAL PERCENTAGE RATE: 18.00%	

Five Thousand Six Hundred Seventy Five and 76/100------------------------DOLLARS

lawful current money of the United States of America, being for an extension of credit this day extended and advanced by Mortgagee to Mortgagor, receipt of which is hereby acknowledged by Mortgagor. In representation of said extension of credit, Mortgagor has made and subscribed Mortgagor's one certain promissory note for the amount of said extension of credit, of even date herewith, payable to the order of Bearer at Gulf National Bank at Lake Charles at its principal banking office in the City of Lake Charles due and payable in consecutive monthly installments on the same day of each successive month following date of first payment as hereinabove set forth in "Schedule of Payments,', until the note is paid in full, and stipulating a credit service charge at the rate of eight (8%) per cent per annum beginning one year after contractual maturity date until paid, provided, however, that if the maturity is accelerated for any reason and suit is filed, the note shall be credited with the same rebate as if payment in full had been made on the date of filing of suit; thereafter, until one year after the contractual maturity date, the note shall bear a credit service charge on the amount due not to exceed the annual percentage rate previously charged on the note. In the event the note is not paid at its maturity and is placed in the hands of an attorney-at-law for collection, 25% additional on the amount of both principal and credit service charge as attorney's fees shall be due and exigible.

NOW, THEREFORE, in order to secure the full and final payment of said note, together with all costs, including the attorney's fees herein stipulated, the said Mortgagor does hereby specially **mortgage and hypothecate** unto the said Mortgagee, and such person or persons who may hereafter be the holder or holders of said promissory note, the property described below.

Said property to remain so mortgaged and hypothecated until the full and final payment of the aforesaid indebtedness it being agreed and stipulated that the same shall not be sold, alienated, deteriorated, or encumbered to the prejudice of these presents. And it is further agreed and stipulated that in the event said indebtedness or any part thereof is not punctually paid when due and according to its tenor, it shall be lawful for the property hereinbefore described and herein mortgaged to be seized and sold under executory process issued by any court of competent jurisdiction, with or without appraisement, to the highest bidder, payable cash; the said Mortgagor expressly dispensing with all and every appraisement thereof, and hereby confessing judgment in favor of said Mortgagee, and such person or persons who may be the owner or owners of said indebtedness for the full amount thereof, together with all costs, including the attorney's fees herein stipulated. The Mortgagor hereby expressly waives and relinquishes the benefit of all stay and extension laws; and further expressly waives the notice and delay accorded by Article 2331 and Article 2639 of the Louisiana Code of Civil Procedure, and consents to the immediate seizure of said property in the event of the institution of executory proceedings.

Location of Property (Parish)	Name of Mortgagee	Mortgagee's Place of Business or Residence
Jeff Davis	GULF NATIONAL BANK AT LAKE CHARLES	P.O. BOX 1527 LAKE CHARLES, LA. 70602

1. TOTAL CASH PRICE (Including Sales Tax)	▨	$ 4,160.00
2. ALLOWANCE OR TRADE-IN	$	
3. CASH DOWN PAYMENT	$	
4. UNPAID BALANCE OR AMOUNT TO BE FINANCED (Subtract Items 2 and 3 from Item 1, if applicable)		4,160.00

5. INSURANCE – The insurance indicated below expires upon the contractual maturity date stated above or on ______. Comprehensive Cost $____ $____ Deductible. Collision Cost $____, $____ Deductible. Personal Liability and Property Damage Cost $____ Combined Additional Coverage Cost $____ Fire and Theft Cost $____, $____ Deductible. Disability Insurance Cost $____ Credit Life Insurance Cost $ 171.22

Credit Insurance is not required nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Mortgagor signs the appropriate authorization below. Credit Insurance is available for the term of the credit, the cost of which is indicated above. Mortgagor may furnish such insurance through existing policies or through any insurance company authorized to transact business in Louisiana.

I desire Credit Life AND Disability Insurance	I desire Credit Life Insurance ONLY	I do NOT want Credit Life or Disability Insurance
(Date) (Signature)	(Date) (Signature)	(Date) (Signature)

Property insurance, if written herein, may be obtained by the Mortgagor through any person of his choice. In the event Mortgagor desires that such insurance be obtained through the Mortgagee, the cost of the term of the credit will be as stated above.

6. OFFICIAL FEES (Lic., Title, Mort. Rec. and/or Canc.)	17.00
7. SUB-total (Add Items 4, 5, and 6)	4,348.22
8. CREDIT SERVICE CHARGES — (includes notary fee and documentary fee)	1,327.54
9. TIME BALANCE (Amount of Note) (Add Items 7 and 8)	5,675.76

YEAR	DESCRIPTION OF CHATTEL(S)	N-NEW/U-USED	SERIAL NUMBER	OTHER
1978	Aztec Travel Trailer	U	[illegible] 3130	

THE INSURANCE, IF ANY, REFERRED TO IN THIS MORTGAGE DOES NOT INCLUDE COVERAGE FOR BODILY INJURY OR PROPERTY DAMAGE CAUSED TO OTHERS, UNLESS SPECIFICALLY PROFIDED FOR ABOVE.

NOTICE TO MORTGAGOR: DO NOT SIGN THIS MORTGAGE BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES. YOU ARE ENTITLED TO AN EXACT COPY OF THE MORTGAGE YOU SIGN.

IN WITNESS WHEREOF, the parties have set their names hereto in the presence of the undersigned competent witnesses, who have hereunto set and signed their names with the parties hereto. Executed in multiple originals, copy of which was delivered to and receipt is hereby acknowledged by Mortgagor on the day, month, and year first above written.

MORTGAGOR ACKNOWLEDGES RECEIPT OF A COPY OF THIS MORTGAGE WHICH WAS COMPLETELY FILLED IN PRIOR TO MORTGAGOR'S EXECUTION, AND ACKNOWLEDGES READING THIS MORTGAGE IN FULL, INCLUDING THE PROVISIONS ON THE REVERSE HEREOF, BEFORE EXECUTING THE SAME, AND AGREES THAT SAID PROVISIONS ON THE REVERSE HEREOF CONSTITUTE A PART OF THIS MORTGAGE.

NEGOTIABLE PAPER

Rebecca Sweeney
Rebecca Sweeney

Beth Poplinski
Beth Poplinski

MORTGAGOR

MORTGAGOR

MORTGAGOR

Gulf National Bank at Lake Charles
MORTGAGEE

By [illegible] Asst. Cashier

On this 24th day of February 19 81 before me, the undersigned authority, personally appeared Rebecca Sweeney, to me known to be the person described in and who executed the foregoing instrument as a witness thereto, and acknowledged that he executed the same as his free act and deed as such witness; and said appearer being duly sworn, did depose and say that said instrument was executed by the parties thereto in the presence of affiant and of the other subscribing witness, and by all of the parties thereto as their own free act and deed and/or (if applicable) as the duly authorized officer of said company named herein. And the note of the Mortgagor fully described in the above and foregoing mortgage being presented to me was paraphed "Ne Varietur" by me, said Notary, for identification with said mortgage and this acknowledgment and authentication, and was delivered to the Mortgagee.

I hereby certify this to be a true copy of the Act of Chattel Mortgage acknowledged before me. Lake Charles, Louisiana.

James A. White NOTARY PUBLIC

Rebecca Sweeney
Rebecca Sweeney

SWORN TO AND SUBSCRIBED before me on the day, month and year above written.

James A. White
James A. White

C/L 8 (7-78)

THE FOLLOWING PROVISIONS CONSTITUTE A PART OF THIS MORTGAGE

The granting and taking of this mortgage is not to be construed as a waiver by the Mortgagee of the vendor's lien and privilege accorded by law, which the Mortgagee may have on this property, which lien and privilege the Mortgagee specifically reserves herein in addition to the mortgage herein granted.

Said Mortgagor does by these presents bind and obligate said Mortgagor to pay a delinquency and collection charge as follows:

In the event any installment shall not be paid within 10 days after its scheduled or deferred due date, maker or makers agree to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period that is delinquent.

In the event that an installment is not paid within 10 days after its due date, bearer may unilaterally grant a deferral and make and collect a charge for such deferral not to exceed the annual percentage rate previously stated herein calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

In the event said note is not paid when due and is placed in the hands of an attorney-at-law for collection, or is sued on, attorney's fees of 25% additional on the amount of both principal and credit service charge shall be due and owing.

The Mortgagor guarantees and warrants to and in favor of the Mortgagee and the future holder or holders of said note, that Mortgagor is the owner in full ownership of said property, that there are no other mortgages, liens, or encumbrances on said property, and that when this mortgage shall have been recorded as provided by law, it will be a first mortgage on all of said property.

The property herein mortgaged shall not be moved out of the above named Parish, without first obtaining the written consent of the holder of said note. The Mortgagor binds and obligates said Mortgagor to keep said property at all times in good condition and in good running order at his own cost and expense, and to pay all taxes, licenses, and assessments against said property promptly and before they become delinquent and until the payment of said note. The mortgagor binds and obligates himself to save and hold the mortgagee free and harmless from any and all claims and demands for damages to persons and property resulting from, or arising out of, any seizure and removal or relocation of the mortgaged property.

(a) In the event either (1) that the time price payable hereunder includes a charge for any required physical damage insurance, to be procured either by vendor or by Mortgagor, for a period less than the full term of this contract, or (2) that said time price does not include a charge for required physical damage insurance Mortgagor shall furnish satisfactory evidence that said property continues to be effectively and adequately covered by such insurance at all times during the term of this contract.

Upon failure of Mortgagor to do so for any reason, vendor or assignee may, but without prejudice to their rights under this contract, if they do not, endeavor to procure such insurance, and in the event that vendor or assignee does procure same, Mortgagor agrees to pay, as an additional part of the obligation secured hereunder, a charge equal to the amount of the premium for such insurance, together with a credit service charge or loan finance charge thereon at the highest lawful contract rate, in equal instalments concurrently with the instalments of the unpaid balance then remaining payable hereunder.

(b) Proceeds of the aforesaid required physical damage insurance, by whomsoever procured, shall be applied toward replacement of the property or payment of this obligation, at the option of vendor, or future holder of said note.

(c) In the event that a charge for the required physical damage insurance protecting all interest hereunder is an item hereinabove included in the obligation payable under this contract or a charge for such insurance becomes included therein at any time hereafter under subparagraph (a) hereof, and in the further event that (1) the insurance company to which the vendor or holder is authorized to apply therefor refuses to issue such insurance, or (2) subsequent to issuance thereof and during the term of this contract such insurance is cancelled, then the vendor or holder shall apply either an amount equal to the aforesaid insurance charge in the case of (1) above, or in the case of (2) above an amount equal to the unearned portion of the premium for such insurance upon vendor's or holder's receipt thereof from the insurer pursuant to authorization hereby given therefor, as a credit in reduction of that portion of the unpaid balance which comprises so much of one or more of the instalments payable on the latest due dates hereunder as equals the amount herewith provided to be applied, it being understood and agreed that the order of applying said amount to said instalments shall be inverse to the order in which they are payable hereunder and that, in the further event that the vendor or holder procures insurance covering solely the interest of vendor or holder hereunder pursuant to the provisions next herein set forth in subparagraph (d), the amount to be credited and applied in the aforesaid events shall be reduced by an amount equal to the cost of such insurance covering solely the interest of the vendor or holder hereunder.

(d) In the event that (1) at the time of execution of this contract the vendor or holder is authorized to apply for the aforesaid required physical damage insurance protecting all interest hereunder and the insurance company to which the vendor or holder applies therefor refuses to issue same, or (2) the Mortgagor fails for any reason to furnish satisfactory evidence of such insurance as hereinbefore provided in subparagraph (a) hereof and the vendor or holder either is unable to procure such insurance or elects not to endeavor to procure same, or (3) such insurance is procured by the vendor or holder or by the Mortgagor but subsequent to the issuance thereof and during the term of this contract such insurance is cancelled, the Mortgagor agrees that the vendor or holder may procure insurance covering solely the interest of the vendor or holder hereunder, at the Mortgagor's expense for the cost thereof, in which event an amount equal to the cost of said insurance covering solely the vendor's or holder's interest hereunder shall be paid by the Mortgagor either by means of reduction, to the extent of such cost, in the amount to be credited and applied pursuant to the provisions of the preceding subparagraph (c) if such provisions are then applicable, or on demand, together with a credit service charge or loan finance charge on said amount at the highest lawful contract rate, as an additional part of the obligation secured hereunder, in either case as shall more specifically appear in a notice by the vendor or holder to the Mortgagor.

MORTGAGOR shall pay all taxes assessed and all liens which may be asserted by any governmental authorities against the property before they become delinquent. IF MORTGAGOR fails to do so, the holder is authorized (but not obligated) to pay the taxes or liens, at MORTGAGOR'S expense. The holder of said note shall become subrogated to all the rights and privileges of the governmental authorities to which taxes or liens were due, and all sums expended in paying taxes, liens, or fees shall bear a credit service charge or loan finance charge at the highest lawful contract rate from date of disbursement, and be further secured by this mortgage.

It is agreed that in case the Mortgagor shall become insolvent, or apply to a bankruptcy court to be adjudged a voluntary bankrupt, or proceedings be instituted against the Mortgagor to have said Mortgagor adjudged an involuntary bankrupt, or proceedings be taken against the Mortgagor looking to the appointment of a receiver or syndic, or any proceedings be instituted for the seizure or sale of the property herein mortgaged by judicial process, or in case the Mortgagor should fail to keep said property in good condition and in good running order, or should fail to pay said note, or any installment thereof, or said taxes, assessments or licenses promptly when due, or to effect and keep in force said insurance, or any part of it, or to transfer and deliver said policies, as herein provided, or to keep and perform any of the other covenants or agreements herein agreed to be kept and performed by said Mortgagor, then and in any of said events, said note, and each and every installment thereof shall, at the option of the Mortgagee or the future holder or holders of said note, and without any demand or putting in default, become immediately due and exigible.

Whenever the word "Mortgagee" is used in this act, it shall be construed to include "Mortgagees", and whenever the word "Mortgagor" is used, it shall be construed to include "Mortgagors"; and whenever the words "Mortgagee", "Mortgagor", and/or "mortgage" are used in this act, said words shall be construed to mean "Seller", "Buyer", and or "contract", respectively.

The parties hereto specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this instrument.

All the agreements and stipulations herein contained, and all the obligations herein assumed, shall inure to the benefit of and be binding upon the heirs, successors and assigns of the respective parties hereto.

Security Description

1978 Azetec Travel Trailer
Ser. No. ~~D014815~~ 330

No Ins due 4/24/81

Endorsers

______________________ (Signature)

______________________ (Signature)

For value received pay to the order of

DISBURSEMENT

M.O. $ 2,167.77 #54410

DEP. $ 1,832.23 #54424

INST. NOTE ______________

90 DAY ______________

DRAFT ______________

T/T FEES 174.00

SER. CHG. ______________

REBATE ______________

NOTARY 3.00

OTHER ______________

BOF 15
(Rev. 10/82)

United States Bankruptcy Court

CLAIM & ATTACH

For the Western District of Louisiana

In re *
Arvelian Joseph Ardoin
SS# 435-608964
Laura Ann Pousson Ardoin
*Debtor** Rt 1 Box 768
Iowa, LA 70647

Case No. 483-00820-LC

PROOF OF CLAIM

1. [*If claimant is a corporation claiming through an authorized officer*] The undersigned, who resides at ** 426 Riddle Lane, Westlake, Louisiana 70669, is the Vice President of Gulf National Bank at Lake Charles, a association organized under the laws of the United States of America and doing buiness at ** 825 Ryan St. (P.O.Box 1527) Lake Charles, Louisiana, and is authorized to make this proof of claim on behalf of the association.

2. The debtor was, at the time of the filing of the petition initiating this case, and still is indebted [*or* liable] to this claimant, in the sum of $ 11,476.30

3. The consideration for this debt [*or* ground of liability] is as follows: Judgment as attached For $11,476.30.

4. [*If the claim is founded on writing*] The writing on which this claim is founded (or a duplicate thereof) is attached here to [*or* cannot be attached for the reason set forth in the statement attached hereto].

5. [*If appropriate*] This claim is founded on an open account, which became [*or* will become] due on , as shown by the itemized statement attached hereto. Unless it is attached hereto or its absence is explained in an attached statement, no note or other negotiable instrument has been received for the account or any part of it.

6. No judgment has been rendered on the claim except. Judgment # C-573-83. Parish of Jefferson Davis-State of Louisiana.

7. The amount of all payments of this claim has been credited and deducted for the purpose of making this proof of claim.

8. This claim is not subject to any setoff or counter-claim except none.

9. No security interest is held for this claim except none.

[*If security interest in property of the debtor is claimed*] The undersigned claims the security interest under the writing referred to in paragraph 4 hereof [*or* under a separate writing which (or a duplicate of which) is attached hereto, *or* under a separate writing which cannot be attached hereto for the reason set forth in the statement attached hereto]. Evidence of perfection of such security interest is also attached hereto.

[*Continue on reverse side*]

ORDER FOR RELIEF [illegible] AND ALLIED MATTERS

ORDER FOR RELIEF UNDER 11 U.S.C. CHAPTER 7 HAVING BEEN ENTERED ON PETITION FILED BY, AS FOLLOWS TO-WIT:

CASE NO.	NAMES, SOCIAL SECURITY NO., ADDRESSES, ATTY., TR.	DATE FILED
483-00820-LC	ARVELIAN JOSEPH ARDOIN(SS#435-60-8964), LAURA ANN POUSSON ARDOIN (SS#434-58-6190), Rt.1, Bx. 768, Iowa, LA 70647, ATTORNEY: David Emile Marcantel, Bx. 1366, Jennings, LA 70546(824-7380), TRUSTEE: Lois M. Holland, Bx. 1108, Lake Charles, LA 70602(439-0705).	8-2

TO THE DEBTOR, HIS CREDITORS, AND OTHER PARTIES IN INTEREST, AN ORDER FOR RELIEF HAVING BEEN ENTERED AS SET FORTH ABOVE, IT IS ORDERED AND NOTICE IS HEREBY GIVEN, THAT:

1. A MEETING OF CREDITORS PURSUANT TO 11 U.S.C. SEC. 341 (A) SHALL BE HELD AT THE BANKRUPTCY COURT, 2ND FLOOR, FEDERAL BUILDING, Lake Charles, LOUISIANA, ON October 5 AT 10 O'CLOCK A.M. THE MEETING MAY BE CONTINUED OR ADJOURNED FROM TIME TO TIME BY NOTICE AT THE MEETING, WITHOUT FURTHER WRITTEN NOTICE TO CREDITORS.

2. THE DEBTOR, ACCOMPANIED BY HIS ATTORNEY OF RECORD, SHALL ATTEND AND APPEAR IN PERSON AT THE TIME AND PLACE SET FORTH IN PARAGRAPH 1 FOR THE PURPOSE OF BEING EXAMINED.

3. November 28 IS FIXED AS THE LAST DAY FOR THE FILING OF OBJECTIONS TO DISCHARGE OF THE DEBTOR, AND FOR THE FILING OF A COMPLAINT TO DETERMINE DISCHARGEABILITY OF ANY DEBT PURSUANT TO 11 U.S.C. SEC. 523 (C).

4. AS A RESULT OF THE FILING OF THE PETITION CERTAIN ACTS AND PROCEEDINGS AGAINST THE DEBTOR AND HIS PROPERTY ARE STAYED AS PROVIDED IN 11 U.S.C. 362 (A).

5. IF NO OBJECTION TO THE DISCHARGE OF THE DEBTOR IS FILED ON OR BEFORE THE LAST DAY FIXED THEREFOR AS STATED IN PARAGRAPH 3, THE DEBTOR WILL BE GRANTED HIS DISCHARGE. IF NO COMPLAINT TO DETERMINE DISCHARGEABILITY OF A DEBT UNDER CLAUSE (2), (4) OR (6) OF 11 U.S.C. SEC. 523 (A) IS FILED WITHIN THE TIME FIXED THEREFOR AS STATED IN PARAGRAPH 3 THE DEBT MAY BE DISCHARGED.

6. UNLESS THE COURT EXTENDS THE TIME, ANY OBJECTION TO THE DEBTOR'S CLAIM OF EXEMPT PROPERTY (SCHEDULE B-4) MUST BE FILED WITHIN 30 DAYS AFTER THE ABOVE DATE SET FOR THE MEETING OF CREDITORS.

7. IN ORDER TO HAVE HIS CLAIM ALLOWED SO THAT HE MAY SHARE IN ANY DISTRIBUTION FROM THE ESTATE A CREDITOR MUST FILE A CLAIM WHETHER OR NOT HE IS INCLUDED IN THE LIST OF CREDITORS FILED BY THE DEBTOR. CLAIMS WHICH ARE NOT FILED WITHIN 90 days AFTER THE ABOVE DATE SET FOR MEETING OF CREDITORS WILL NOT BE ALLOWED EXCEPT AS OTHERWISE PROVIDED BY LAW. A CLAIM MAY BE FILED IN THE OFFICE OF THE CLERK OF THE BANKRUPTCY COURT, FEDERAL BLDG., RM. 252, OPELOUSAS LA. 70570 ON AN OFFICIAL FORM PRESCRIBED FOR A PROOF OF CLAIM.

8. NOTICE IS HEREBY GIVEN THAT THE TRUSTEE OF THIS ESTATE HAS THE POWER TO ABANDON, SELL OR LEASE PROPERTY OF THE ESTATE IF THE VALUE OF SAID PROPERTY DOES NOT EXCEED $2,500.00 WITHOUT FURTHER WRITTEN NOTICE. TO OBTAIN WRITTEN NOTICE A CREDITOR OR PARTY OF INTEREST MUST FILE A WRITTEN REQUEST WITH THE TRUSTEE AND THE CLERK OF THE COURT WITHIN FIFTEEN(15) DAYS OF THE DATE OF THE ABOVE SET MEETING OF CREDITORS. THE DISPOSITION OF PROPERTY WITH VALUES EXCEEDING $2,500.00 WILL BE ANNOUNCED BY THE TRUSTEE OR ANOTHER PARTY OF INTEREST AT THE ABOVE SET MEETING OF CREDITORS, OR VERBAL NOTICE WILL BE GIVEN AS TO THE DATE, TIME AND PLACE THAT SUCH ANNOUNCEMENT WILL BE MADE. OBJECTIONS TO THE TRUSTEE'S PLANNED ACTION MUST BE FILED WITH THE CLERK WITHIN TEN (10) DAYS AFTER THE ANNOUNCEMENT, AND WILL BE SET FOR HEARING BEFORE THE COURT. IF NO WRITTEN OBJECTION IS FILED, THE TRUSTEE WILL PROCEED ACCORDINGLY.

9. IT IS FURTHER ORDERED AND NOTICE IS GIVEN THAT THE HEARING ON DISCHARGE REQUIRED BY SEC. 524 (D) WILL BE HELD AT THE BANKRUPTCY COURT, 2ND FLOOR, FEDERAL BUILDING Lake Charles LOUISIANA, ON December 1 AT 9 O'CLOCK A.M., AND THE DEBTOR MUST ATTEND IN PERSON.

10. IT IS FURTHER ORDERED AND NOTICE IS GIVEN THAT ALL MOTIONS FOR REDEMPTION AND JOINT MOTIONS FOR REAFFIRMATION WITH EXECUTED COPY OF AGREEMENT MUST BE FILED AT LEAST 10 DAYS BEFORE THE DATE OF THE HEARING [illegible] AND WILL BE HEARD AT THE SAME PLACE, DATE AND TIME.

ENCLOSED WITH THIS NOTICE IS A PROOF OF CLAIM FORM FOR YOUR USE. ANY CORRESPONDENCE THAT REQUIRES AN ANSWER FROM THE COURT SHOULD BE ACCOMPANIED BY A SELF-ADDRESSED, STAMPED ENVELOPE.

IMPORTANT-FILE YOUR PROOF OF CLAIM, ATTACHING PROOF OF DEBT (NOTE, CHATTEL MORTGAGE, ITEMIZED STATEMENT, TITLE, ETC.). ALSO, A COPY OF THE "TRUTH IN LENDING STATEMENT" WHERE SAID STATEMENT WAS REQUIRED BY LAW AT THE TIME DEBT WAS INCURRED, MUST BE ATTACHED TO YOUR PROOF OF CLAIM.

PROOFS OF CLAIM AND ATTACHMENTS THERETO MUST BE FILED IN DUPLICATE.

DATED: 8-30-83

BY THE COURT

U.S. BANKRUPTCY JUDGE

GULF NATIONAL BANK : 31ST JUDICIAL DISTRICT COURT
AT LAKE CHARLES

VS. NO. C-573-83 : PARISH OF JEFFERSON DAVIS

A. J. ARDOIN : STATE OF LOUISIANA

FILED: July 29-1983 : DEPUTY CLERK

JUDGMENT

This cause came to be heard on this day for confirmation of default, after service on the defendant in the form and manner prescribed by law; the legal delays for answering having expired; the defendant having failed to appear or answer; and the law and evidence being in favor of the plaintiff and against the defendant:

IT IS ORDERED, ADJUDGED AND DECREED that there be judgment in favor of GULF NATIONAL BANK AT LAKE CHARLES and against A. J. ARDOIN, in the full sum of ELEVEN THOUSAND FOUR HUNDRED SEVENTY-SIX AND 30/100 ($11,476.30) DOLLARS, with a loan finance charge at the rate of 18.00% per annum from March 5, 1983, until paid, together with 25% additional on the amounts of both principal and loan finance charge as attorney's fees, together with all costs of these proceedings.

JUDGMENT READ, RENDERED AND SIGNED in Open Court, this 29 day of July, 1983, at Jennings, Louisiana.

S/ Walter C Peters
DISTRICT JUDGE

FORM 2597 G 604

Certificate of Title

STATE OF LOUISIANA
DEPARTMENT OF PUBLIC SAFETY - OFFICE OF MOTOR VEHICLES

VIN	TITLE NO	DATE ISSUED
3130	L2289462	03/12/81

MAKE	MODEL	BODY	COLOR	YR	DATE ACQUIRED	N/U	PREV STATE	ODOMETER
AZTE	REG	TT	RED/	78	02/24/81	U	LA	

OWNER

A J ARDOIN

RT 1 BOX 310A
IOWA LA 70647

GULF NATIONAL BANK AT LC

P O BOX 1527
LAKE CHARLES LA 70602

2073754

I, the undersigned Vehicle Commissioner of the State of Louisiana, certify that the applicant named herein has been duly registered in this office as owner of the motor vehicle described, pursuant to the laws of the State of Louisiana, subject to the mortgages and encumbrances, if any, herein set forth.

In witness whereof, I have affixed my signature and seal at Baton Rouge

ANY ALTERATION OR ERASURE VOIDS THIS TITLE

Donald G. Bollinger

VEHICLE COMMISSIONER

AMOUNT		DATE	AMOUNT		DATE
$5675.76	(FIRST LIEN)	02/24/81	-	(SECOND LIEN)	

GULF NATIONAL BANK AT LC
P O BOX 1527
LAKE CHARLES LA 70602

DPSVR 1663 (R 3/80)

2073754

To prevent later inconvenience to you and to insure proper and timely transfer of this vehicle to the new owner, when you sell, trade or in any other way dispose of this vehicle, before surrendering the upper portion of this title to the new owner, detach this portion, fill in the blank spaces and immediately mail to:
Department of Public Safety, Office of Motor Vehicles,
P.O. Box 66196, Baton Rouge, La 70896.

I/We have conveyed this title to:

3130 L2289462

AZTE TT 78 REG RED

LOUISIANA DEPARTMENT OF PUBLIC SAFETY
OFFICE OF MOTOR VEHICLES
VEHICLE REGISTRATION BUREAU
POST OFFICE BOX 66196
BATON ROUGE, LOUISIANA 70896

CERTIFICATE OF REGISTRATION AND RECEIPT FOR FEES AND/OR TAXES

ANY FALSE ANSWER IS A CRIMINAL OFFENSE SUBJECT TO A FINE NOT TO EXCEED $5,000.00 OR IMPRISONMENT NOT TO EXCEED FOUR YEARS OR BOTH.

MAR 13 1981

TT 21	LICENSE D014815	YR 0481	VEHICLE IDENTIFICATION NUMBER 3430		TITLE	DATE 031281		TITLE FEE 7.00
MAKE AZTE	MODEL/WEIGHT REG	BODY TT	COLOR RED/	YR 78	ODOMETER	DRIVERS LICENSE	STICKER / YR	MORTGAGE FEE 4.00

OWNER NAME A J ARDOIN — T 1 — LICENSE FEE
STREET RT 1 BOX 310A — TRANSFER FEE 3.00
CITY/STATE IOWA LA — ZIP 70647 — TYPE TRAILER — FEE PENALTY
NAME — STATUS — N/T — USE IDENT — FEE CREDIT
STREET — 2 — TAX VALUE 4000.00 — NET FEES 14.00
CITY/STATE — ZIP — 031281 — TAX DATE 022481 — SALES TAX 460.00

VEHICLE IS SUBJECT TO CHATTEL MORTGAGE AS FOLLOWS — T — DOMICILE 1000 — TAX PENALTY

FIRST LIENHOLDER NAME GULF NATIONAL BANK AT LC — DATE 022481 — RECORD MORTGAGE 2 — VENDORS COMP. 2.20
STREET P O BOX 1527 — AMOUNT 5675.76 — CANCEL MORTGAGE — TAX CREDIT
CITY/STATE LAKE CHARLES LA — ZIP 70602 — PENALTY CREDIT — INTEREST
SECOND LIENHOLDER NAME — DATE — EXEMPTIONS — NET TAXES 457.80
STREET — AMOUNT — SCOPE LINE 236 — POSTAGE
CITY/STATE — ZIP — 66 — 1L — OPERATOR 614 — MISC

N/U	ACQUIRED	TITLE	STATE	LICENSE	YEAR
U	022481	M7445563	LA	D018388	0379

CITATION DATE — TOTAL 171.80

I (WE) ACQUIRED THE
ABOVE VEHICLE FROM __________
WHOSE ADDRESS IS __________ (STREET) (CITY) (STATE)

THE OWNER HEREBY AFFIRMS THAT THE ABOVE MENTIONED TAX DATE IS THE TRUE AND ACTUAL DATE THAT THE VEHICLE WAS PURCHASED OR IN THE CASE OF A VEHICLE PREVIOUSLY USED BY OWNER IN ANOTHER STATE THE TRUE AND ACTUAL DATE THE VEHICLE WAS BROUGHT INTO LOUISIANA FOR USE OR STORAGE FOR USE

DATE 3-12-81 — OWNER'S SIGNATURE __________ SIGN HERE

WITNESSES:
____
____

Higginbotham
NOTARY PUBLIC OR VEHICLE REGISTRATION OFFICER

THIS REGISTRATION CERTIFICATE MUST BE CARRIED IN THE VEHICLE AT ALL TIMES

(2)

DPSVR 1660 (R 3/79)

BOF 15
(Rev. 10/82)

Reverse Side

10. This claim is a general unsecured claim, except to the extent that the security interest, if any, described in paragraph 9 hereof is sufficient to satisfy the claim.
[*If priority is claimed, state the amount and basis thereof.*]

12. This claim is filed as a(n) ~~(Unsecured)~~ (Secured) CLAIM. ~~(Priority)~~ by Judgment.

$ 15,697.65*
Total Amount Claimed

Claim Number
(For Office Use Only)

Name of Creditor: Gulf National Bank at Lake Charles
(Print or Type Full Name of Creditor)

Dated: 9./27/83

Signed: Eugene L. Morris
Eugene L. Morris Vice President

Comments (Use for additional information):

Balance includes $11,476.30 plus interest at 18% APR from March 5, 1983 until paid, plus 25% attorney fees on interest and principal plus all court costs.

Penalty for Presenting Fraudulent Claim. Fine of not more than $5,000 or imprisonment for not more than 5 years or both—Title 18, U.S.C., § 152.

---

*Include all names used by debtor within last 6 years.
**State post office address.

PROMISSORY NOTE

DIRECT LOAN

33-3609-3

LAKE CHARLES, LA. February 24, 1981

For value received, I, or we, the makers, endorsers, guarantors, sureties, and all other parties hereto, and each of us, in solido promise to pay, and guarantee payment, to the order of Bearer at

GULF NATIONAL BANK
AT LAKE CHARLES

At its principal banking office in the City of Lake Charles, La.

Name A. J. Ardoin
Address Rt. 1 Box 310A Iowa, La. 70647
Employment Self Employed
Home 582-3388

Disc	Life Ins	A&H Ins	OK'd By
132754	171.22	-0-	JWl

SCHEDULE OF PAYMENTS

No of Insts	1st Inst. Due	Amt. of ea Inst	Amt. of Note
36	4-1-81	157.66	5,675.76

Contractual Maturity Date	ANNUAL PERCENTAGE RATE
3-1-84	18.00%

Five Thousand Six Hundred Seventy Five and 76/100------------------------------DOLLARS

due and payable in consecutive monthly installments on the same day of each successive month following date of first payment as hereinabove set forth in "Schedule of Payments" until this note is finally paid, together with a credit service charge at the rate of eight percent (8%) per annum beginning one year after contractual maturity date until paid, provided, however, that if the maturity is accelerated for any reason and suit is filed, the note shall be credited with the same rebate as if payment in full had been made on the date of filing of suit; thereafter, until one year after the contractual maturity date, the note shall bear a credit service charge on the amount due not to exceed the annual percentage rate previously charged on the note. In the event this note is not paid at its maturity and is placed in the hands of an attorney at law for collection, 25% additional on the amount of both principal and credit service charge as attorney's fees shall be due and exigible.

In the event any installment shall not be paid within 10 days after its scheduled or deferred due date, maker or makers agree to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period that is delinquent.

In the event that an installment is not paid within 10 days after its due date, bearer may unilaterally grant a deferral and make and collect a charge for such deferral not to exceed the annual percentage rate previously stated herein calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

Any failure on the part of the maker or makers to pay an installment of this note, or the credit service charge thereon, promptly when due, shall, at the option of the holder, and without any demand or putting in default, mature this note and each and every installment thereon.

The makers, endorsers and sureties specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this instrument.

The makers, endorsers, and sureties severally waive presentment for payment, demand, protest, notice of protest, and notice of non payment, and all pleas of division and discussion, and consent to one or more extensions of payment for such periods and amounts as may be granted.

It is also agreed that at its maturity, or any day thereafter, this note may be charged to the account of the maker, endorser, or endorsers, surety or sureties, or any of them, with said bank, or if the amount to the credit of any or all of their accounts is not sufficient to pay this note in full, whatever sum stands to the credit of any or all of said parties to this note on the books of said bank, may be applied to its payment, but a failure to so apply such funds shall in no way affect this note or release any of the parties thereto, nor shall the said bank ever be held liable to any holder or owner of said note on account of its failure or refusal to so apply any of said funds.

All parties hereto agree that the payment of this note is secured in accordance with the mortgage with which this note is paraphed for identification.

"NE VARIETUR"

For identification with an act of chattel mortgage this day acknowledged and authenticated before me, Lake Charles, La.
February 24, 1981

James A. White
James A. White Notary Public

A. J. Ardoin

GNB C/L 5 (7-79)

The **Chairman**. You have just described what happened here.

Mr. **Taliaferro**. Yes, sir, to Mr. Ardoin.

The **Chairman**. Those have been put in the record at this point.

As I also understand it, Mr. Carlock also rented trucks in violation of the conflict-of-interest law. Is that correct?

Mr. **Taliaferro**. Yes, sir, that is correct.

The **Chairman**. Could you describe that to us?

Mr. **Taliaferro**. He is in the trucking business in Lake Charles, and he goes across State lines.

I was also appointed by a Federal judge to stop Tri-Coast Construction, which was working illegally in Lake Charles, and one of the trucks that I had seized out of the Tri-Coast bankruptcy proceedings had belonged to Willard Carlock.

The **Chairman**. I see.

Now, did you ever report—well, let me ask you this. What about Kermit Johnson? Where is he living today? Where is he today?

Mr. **Taliaferro**. Sir, I don't know. I had worked with him on that job.

The **Chairman**. But his home State was Texas?

Mr. **Taliaferro**. Yes, sir, it was. Somewhere in the Beaumont area, I think.

The **Chairman**. I see. Did you ever report any of these incidents to the international union?

Mr. **Taliaferro**. Yes, sir, I did.

The **Chairman**. As I understand it, on August 26, 1983, president J. C. Turner wrote you back—you submitted a report and then president J. C. Turner wrote you back on October 18, 1983, and he refused to investigate. Is that correct?

Mr. **Taliaferro**. That is true, Senator, and if you look down at the bottom, he said he contacted the business agent in New Orleans, and he assured him that nothing would happen to me, since he's in Washington and the business agent is in New Orleans. He said nothing would ever happen.

The **Chairman**. Well, let me enter into the record at this point without objection these letters as Taliaferro exhibits Nos. 8 and 9.

[Taliaferro exhibits Nos. 8 and 9 follow:]

Taliaferro Exhibit No. 8

Aug 3-1983

HOWARD TALIAFERRO
330 Alamo Street
Lake Charles, LA 70602

J.C. Turner, General President
International Union of Operating Engineers
1125 17th Street, Northwest
Washington, D.C. 20036

Dear Mr. Turner:

This letter is in regard to my telephone conversation this morning with Mr. Larry Duggan who I met in 1974 and for whom I have much respect. I told Mr. Duggan of the problem here in Louisiana with Local 406 and specifically Willard Carlock and C.J. Laird in the Lake Charles District.

The problem here is growing daily. I have been expelled from Local 406 for non-payment of dues, (so they say). I have offered to pay my dues and get my Union Book back in order, but they have refused me.

I have been passed on the so-called work list here since December, 1981 until recently. When I filed suit against 406 they started wanting me to take a job on a pipeline. As I told Mr. Duggan, I fear for my safety as I have made Mr. Carlock unhappy by these law suits pending in Federal Court.

There have been suits filed by myself and three other members so far. But we have at least one hundred more members of 406 wanting to file every day on the same grounds. It is a well-known fact that the list here means nothing to these people in charge of Local 406.

The F.B.I is now investigating Mr. Carlock, Mr. Laird, and the Apprenticeship Program as well as allegations of extoration. Also a Senate Sub-committee is coming here soon to talk to 406 members and contractors. Many phone calls have been made from Hatch's Sub-committee to contractors and union members in this area. I have affidavits from members that have paid cash weekly to work all the time out of Local 406. Also there are women who have had to give sex in return for a job referral from 406 in Lake Charles.

Mr. Carlock let Tri Coast Construction Company of Lake Charles, LA work on jobs all over the State of Louisiana and worked union members below union scale. Tri Coast did not have to pay benefits on union members Mr. Carlock referred to Tri Coast jobs. The President of Tri Coast is a 406 member and has previously been indicted here in Lake Charles by a State Grand Jury along with Willard Carlock.

Tri Coast was placed in Chapter 7 in March, 1983. When the equipment was seized by U.S. Marshall's, Mr. Carlock had three dozers and one truck in the company. Also Mr. Carlock's son was Superintendent for Tri Coast.

I need your help. I want my book back. I want to be a member of Local 406 and to be treated fairly, as do most other members. I was a vested member - and at one time proud of it. Help me to be proud of our union once again.

Sincerely,

Howard Taliaferro

Howard Taliaferro
Union Book # 1294158

Taliferro Exhibit No. 9

International Union of Operating Engineers
1125 SEVENTEENTH STREET NORTHWEST ★ WASHINGTON, D. C. 20036
AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
OFFICE OF GENERAL PRESIDENT • (202) 429-9100

October 18, 1983

Mr. Howard Taliaferro
330 Alamo Street
Lake Charles, LA 70602

Dear Sir and Brother:

Reference is made to your undated letter received in this office August 26, 1983 in which you set out a number of complaints concerning the conduct of the affairs of Local Union No. 406.

In view of the various lawsuits referenced in your letter, this matter was referred to our Legal Department for review. Based upon that review, I have been advised that substantially all of the complaints set out in your letter are currently in dispute in two lawsuits pending in Federal District Court in Louisiana. Under these circumstances, it would be inappropriate for the International Union to interject itself into the subject matter at this time.

With respect to your representation that you fear physical reprisal from a Business Agent of the Local Union for the filing of these lawsuits, please be advised that I have contacted the Local Union directly, discussed this matter with Business Manager Peter Babin III, and been assured that such fear is unfounded.

Fraternally yours,

J. C. Turner

J. C. Turner
General President

JCT:MRF/lb
opeiu#2afl-cio

cc: Peter Babin III, Bus. Mgr.
IUOE Local Union No. 406

The CHAIRMAN. Well, I just want to thank you for being a witness here today, Mr. Taliaferro. We appreciate your coming and you, also, Ms. Alexander. We know this isn't easy to do, but it is really important, and I think that the men and women who work in these unions ought to owe you a debt of gratitude for being willing to stand up and tell what is really happening here. So we appreciate having you here.

What are you doing now for a living?

Mr. TALIAFERRO. I am not doing anything, sir, just whatever I can pick up. I haven't been working.

The CHAIRMAN. I see. So, in essence, you have been effectively busted out of your union by a union leader.

Mr. TALIAFERRO. Yes, sir, I have lost just about everything I have due to this.

The CHAIRMAN. Even though you had worked 18 years for that union?

Mr. TALIAFERRO. That is correct. Now they want to take my pension, sir.

The CHAIRMAN. They want what?

Mr. TALIAFERRO. They would like to take my pension if they could.

The CHAIRMAN. They want to try to do that?

Mr. TALIAFERRO. No; they can't do that, but they have indicated—in fact, I am the only one that has been an expelled member of local 406. The rest, some of them go suspended for 10 years and they let them catch up on their dues.

I offered to catch up on my dues. I have a tape recording. They said, "Man, we're not ever putting you back in this local. You can forget it." That was after all this stuff came up.

The CHAIRMAN. And the only reason you didn't pay the dues is because they really busted you out of work.

Mr. TALIAFERRO. I couldn't even afford to eat, sir, much less pay my dues, and that is a true statement.

The CHAIRMAN. But you would have paid your dues, you are saying here, had you been allowed to work as your seniority came up on that list?

Mr. TALIAFERRO. Most definitely, sir. I had 38,000 hours in this local. Why would I let it go down the drain?

The CHAIRMAN. So in essence, you were broke?

Mr. TALIAFERRO. Yes, sir, that is true.

The CHAIRMAN. Well, thank you both for your testimony. We appreciate having you here today.

Mr. TALIAFERRO. Senator, I want to tell you, I think you are going to do some good through this, and there are a lot of people in Louisiana and Texas that are looking hard at you, and they really like what you are doing, and I really appreciate the opportunity of coming before this committee and you.

The CHAIRMAN. Well, thank you for your comments. I hope we can do some good here. Certainly by exposing it, perhaps we will, but sometimes the wheels of justice run pretty slowly.

Our next witnesses will be a panel that will elaborate on the defense fund issue that I think will be important for the overall hearing here in this case.

So at this particular time, we will call our next panel members up to the stand. They will be Janice Green—I would like to welcome Mrs. Janice Maxey Green, of Baton Rouge, La.; Mr. John Sylva of Lake Charles; and Mr. Gene Barr of West Hackberry, La.

Please raise your right hands. Do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. GREEN. I do.

Mr. SYLVA. I do.

Mr. BARR. I do.

The CHAIRMAN. Now, Mrs. Green, have you ever received job referrals from Local 406 of the Operating Engineers Union in Lake Charles, La.?

STATEMENT OF JANICE MAXEY GREEN

Mrs. GREEN. Yes, sir, I did.

The CHAIRMAN. OK. As I understand it, you were not a member of the local, but you worked as a permit hand at the Pullman & Kellogg liquid natural gas plant in Lake Charles. Is that correct?

Mrs. GREEN. That is correct.

The CHAIRMAN. OK. Over what period of time did you work out of local 406?

Mrs. GREEN. From August 1980 to February 1981.

The CHAIRMAN. How did you get your first job as an operating engineer?

Mrs. GREEN. At the time I was a laborer on the job, Nathan Courville, the job steward, approached me about coming to work as an operator. I was dissatisfied with my job as a laborer, and he suggested that I could get on, possibly. And he approached me later and told me to come to the office.

Willard Carlock was there, the first time I had ever seen the man. And I signed a referral on the job site and signed over from a laborer to an operator within 2 minutes.

The CHAIRMAN. Just like that, without any experience whatsoever?

Mrs. GREEN. None whatsoever.

The CHAIRMAN. You didn't know anything about heavy equipment?

Mrs. GREEN. No, sir.

The CHAIRMAN. Never had operated it?

Mrs. GREEN. No, sir.

The CHAIRMAN. Never had worked with it?

Mrs. GREEN. No, sir.

The CHAIRMAN. OK. Did you, in fact, receive a journeyman's wage?

Mrs. GREEN. Yes, sir, I did, right off the bat.

The CHAIRMAN. Right off the bat, even though you did not know anything about the equipment. As I understand it, you signed on at lunchtime on August 11, 1980. Is that right?

Mrs. GREEN. Yes, sir.

The CHAIRMAN. You went from a laborer's wage of $8.14 an hour to an operating engineer journeyman's wage of $11.48 an hour, or thereabouts. Is that right?

Mrs. GREEN. That's right. I went in at lunchtime as a laborer and came out as an operator.

The CHAIRMAN. And you have established here that you did not have any journeyman's qualifications whatsoever.

Mrs. GREEN. No; none whatsoever.

The CHAIRMAN. Why do you think Mr. Carlock was willing to classify you as a journeyman when you were not qualified as a journeyman?

Mrs. GREEN. At the time that I signed up, he made reference that we could spend a weekend in Houston together at this nightclub called the Pressure Cooker. And I firmly told him that I do not do that sort of thing for any job, and I told him, "No, thank you." And I gave him his referral back, which at the time was hard to do because it was like a $3-an-hour increase in pay, and the job conditions would be considerably better. But it was against my moral standards, and so I refused.

And he just sort of looked at me like he was shocked that I said, "No." And he said, "Well, that's OK, you can go ahead and have your referral."

The CHAIRMAN. So he let you get the job, anyway?

Mrs. GREEN. Well, he let me have it, anyway.

The CHAIRMAN. Well, did you sign the out-of-work list before you went to work on this Pullman & Kellogg job?

Mrs. GREEN. No, sir, I didn't. I did know, in fact, that there was one at the hall, and I knew that I didn't sign it, no.

The CHAIRMAN. What were your duties on that job?

Mrs. GREEN. I worked as a unit operator, which, as Cheryl I believe described before, was maintaining welding machines, diesel water pumps, such as that. On the Pullman & Kellogg job, it was rather a large job, and the work was more involved. We didn't have as much free time as they did, but we still had quite a bit in between maintaining the operations of these welding machines and such.

The CHAIRMAN. Well, now, did you have any free time after you did those basic jobs?

Mrs. GREEN. Yes, yes, I had quite a bit. I had 2 to 3 hours.

The CHAIRMAN. You had what?

Mrs. GREEN. I had 2 to 3 hours a day.

The CHAIRMAN. And what would you do with that time?

Mrs. GREEN. Sit in my shack and read books.

The CHAIRMAN. You would sit in the operator's shack and had nothing to do but read books?

Mrs. GREEN. Right.

The CHAIRMAN. OK. During the time that you were working at Pullman & Kellogg, were you ever approached to donate any money for Mr. Carlock's legal defense fund?

Mrs. GREEN. Yes, I was. The first week I was there I was approached by Whirlybird, who happened to be—he was Houston Byrd; we called him "Whirlybird"—he was my foreman. He approached me the first week and suggested that I contribute to the fund for Willard Carlock.

And I am not from Lake Charles, and I asked him, you know, what it was about. And he says, "For his legal fees from the Jupiter incident."

So I thought it was a one-time contribution, so I gave him $25.

The CHAIRMAN. I see.

Mrs. GREEN. The next week, he approached me again. And again I gave. You know, I was surprised that it wasn't a one-time contribution, but, you know, I said, "Well, OK."

And then the third week—this was after 3 weeks I was there, I had already given $50—he approached me again, and I said, you know, "Look, I gave you $50." And to me that was a lot of money. And he said, "Well, Willard needs it for his defense fees." And I said, "Well, I'm sorry," you know. And he said, "Willard Carlock got you your job. Willard Carlock can take it away." I said, "Well," you know.

The CHAIRMAN. As I understand it, it was not just Whirlybird or Houston Byrd, whom you called "Whirlybird," but also Nathan Courville and Clyde Shearan also——

Mrs. GREEN. That's right.

The CHAIRMAN [continuing]. Were with him at the time.

Mrs. GREEN. Clyde Shearon was our master mechanic, and Nathan Courville was our steward. And during the time that I was giving to Whirlybird, you know, they asked if he came up and approached me. And I said, "Yeah." And they said, "Are you giving?" And I said, "Yeah."

You know, I was somewhat naive of the whole proceedings because I had not any dealings with the Operators before, so I didn't really know what was going on.

The CHAIRMAN. I see. What was your home at that time?

Mrs. GREEN. I was living in Lake Charles at the time.

The CHAIRMAN. I see. Did you see Messrs. Shearan, Courville, or Byrd pressure any other workers to contribute to this defense fund?

Mrs. GREEN. Oh, most definitely. I saw one hand Whirlybird some money, and it was, you know, it was more than one—one bill. I don't know the denomination, and I cannot remember the guy's name. But I saw him give money.

And then a friend of mine on the job, she was a unit operator, too. She told me that she had given in excess of $500.

The CHAIRMAN. Well, there were about 100 people working for the Operating Engineers at that time.

Mrs. GREEN. Yes. Yes, there was quite—it was a very—in fact, I believe it was the largest job in that area at the time.

The CHAIRMAN. Could you give us any of the names that you have been referring to? What is the name of the young—Harriet——

Mrs. GREEN. Harriet Spragus was the name of a girl—and I know she had children to raise, so that was an extremely large amount of money for her.

The CHAIRMAN. I see. Did all these 100 people who worked on the job live right there in Lake Charles, or were some of them from out of State?

Mrs. GREEN. Some of them were from out of State.

The CHAIRMAN. And they were asked to contribute as well?

Mrs. GREEN. Yeah, I believe so.

The CHAIRMAN. OK. Now, did you testify before a grand jury in Lafayette, La.?

Mrs. GREEN. Yes, I did.

The CHAIRMAN. This grand jury was investigating Mr. Carlock back in 1981, and you did testify before it.

Mrs. GREEN. Yes, sir, I did.

The CHAIRMAN. OK. Did you give essentially this same testimony to the grand jury?

Mrs. GREEN. Yes, sir, I did.

The CHAIRMAN. Did you observe what you would consider improprieties in the handling of the grand jury, Mrs. Green?

Mrs. GREEN. Yes. There was quite a few of us testifying that day, and most of them were the apprentices and permanent hands that were on our job. And we were all held into this—in this large room, and we were told not to talk, you know, to anyone about our—our being there.

Frank Salter, who I think was Carlock's attorney at the time, he is the former district attorney of Lake Charles. He was at this hearing asking these people that would testify what they were saying, asked them if they——

The CHAIRMAN. You mean after they came out of the hearing, he would grab them and ask them what they were saying?

Mrs. GREEN. Yes. He was—he was either on the phone talking to somebody, and we think, you know, a lot of us thought it was—he gave us the impression that it was C. J. Laird and Carlock. And then he was going around asking, you know, people, "Well, what did they ask you? What did they say? Tell me what you told them."

A lot of the people at this hearing were pressured before they came to this hearing that if they testified against Carlock, that they would lose their jobs and that they would never work again in Lake Charles.

The CHAIRMAN. So when they came out of the hearing, they were pressured again by the attorney, the man you believed was Carlock's attorney, Mr. Salter——

Mrs. GREEN. Yes. Yes. He was——

The CHAIRMAN [continuing]. And asked what they said there?

Mrs. GREEN. Right. He was going around asking everybody what they said.

When I came out, he said, "Let's go get us a cup of coffee, and we'll talk about your testimony." And I absolutely refused. He was scaring everybody to death, you know. He was just hovering around checking everything out.

The CHAIRMAN. Well, he was a former district attorney.

Mrs. GREEN. Yes.

The CHAIRMAN. People knew that?

Mrs. GREEN. Well, yes. He had a—he had a very high professional reputation in Lake Charles, and he had a very high association with Carlock. And so a lot of people thought that Carlock possibly could have sent him to see who was saying what, you know, and then later he would go back to Carlock and tell them.

The CHAIRMAN. I see. So you, he tried to question you, but you said you weren't going to have anything to do with it?

Mrs. GREEN. No. No. Not at all.

The CHAIRMAN. All right.

Let me turn to you, Mr. Sylva.

STATEMENT OF JOHN SYLVA

The CHAIRMAN. Would you give us the dates you worked as an operator out of local 406?

Mr. SYLVA. October 1979 to July 1980.

The CHAIRMAN. Did you work up through 1983?

Mr. SYLVA. I was a member of the local through 1983. I recently got suspended, July of 1983.

The CHAIRMAN. I see. Now, were you a member of the local then, or were you a permit worker?

Mr. SYLVA. October of 1979, I was a permit member.

The CHAIRMAN. I see. Now, what job site or sites were you employed on back then?

Mr. SYLVA. The Pullman Kellogg job.

The CHAIRMAN. Is this the same site that Mrs. Green has told us about here today?

Mr. SYLVA. Yes.

The CHAIRMAN. Was it your job to install a gas line for liquefied natural qas?

Mr. SYLVA. Correct.

The CHAIRMAN. Were you ever approached on this job to contribute to a defense fund for Willard Carlock?

Mr. SYLVA. Yes. I was sent out as an oiler, which is, you know, starting at the lower end of the pole; 2 weeks later I was set up as a unit operator, which naturally your pay jumps to $12.50 an hour, something in that area. Two days after I got set up, Houston Byrd approached me and said, "We're asking for donations to help Carlock with his legal defense fund of the Jupiter Ellender incident."

The CHAIRMAN. Well, did you, in fact, contribute to the fund?

Mr. Sylva. I said, "Sure, you know, who wouldn't, to make $12.50 an hour?" I said, "What is the amount?" It was $12.50 a week, an hour's pay a week, which he collected every Monday morning, and strictly in cash, no checks. And no one was present when he collected.

The CHAIRMAN. About how much did you contribute?

And how long? Over what period of time?

Mr. SYLVA. For about 9 months.

The CHAIRMAN. So you contributed what, approximately?

Mr. Sylva. $400, $400 or $500.

The CHAIRMAN. $400 or $500. That is out of your paycheck?

Mr. Sylva. Yes.

The CHAIRMAN. They always asked for it in cash?

Mr. Sylva. Always in cash.

The CHAIRMAN. Always outside of the presence of other people?

Mr. Sylva. Always outside the presence of other people.

The CHAIRMAN. But you gave that out of the money you had earned——

Mr. Sylva. That's right.

The CHAIRMAN. On that job.

Mr. Sylva. That's correct.

The CHAIRMAN. OK. Where were you living at the time? Where was your house?

Mr. Sylva. I was residing in Lake Charles.

The CHAIRMAN. I see. Had you been residing for many years in Lake Charles?

Mr. Sylva. I had been back in Lake Charles, I guess, 4 or 5 years.

The CHAIRMAN. OK. Now, I take it that Mr. Byrd indicated that these moneys were to help with the Jupiter trial that Carlock was involved in?

Mr. Sylva. To pay off an old defense lefal fees for his defense in those incidents, also referring to—to me in this respect, "You pat the man's back, he's going to pat yours."

The CHAIRMAN. I see.

Mr. Sylva. In other words, you play the game or you don't work.

The CHAIRMAN. OK. Did they specifically mention the Jupiter Elender incident to you?

Mr. Sylva. He did, yeah.

The CHAIRMAN. I see. Now, it is my understanding that you discovered later after——

Mr. Sylva. Two or three weeks after the donations started, by talking to the old book hands that knew more than we knew, you know, they knew what was going on. And I said, "Well, what is this?" They said, "Well, that—that defense fund or legal fund has already been paid off."

The CHAIRMAN. In other words, they were asking you to make legal defense fund payments to Carlock of $12.50 an hour once a week for a defense that literally had already been paid off?

Mr. Sylva. Been paid off, yes.

The CHAIRMAN. I see. Now, did Mr. Byrd threaten to fire you or lay you off if you refused to contribute to the fund?

Mr. Sylva. No, I never gave him a chance to.

The CHAIRMAN. OK.

Mr. Sylva. I would have contributed $50 a week.

The CHAIRMAN. So you always contributed, in other words, so there was never any question about being fired?

Mr. Sylva. No. Well, according—according to him, there was never any chance.

The CHAIRMAN. As I recall your testimony, Byrd told you that, "If you'll scratch our back, we'll scratch yours"?

Mr. Sylva. Correct.

The CHAIRMAN. OK. Did Mr. Byrd—well, just one other thing, just to make sure I havd got this in the record. As I understand it, he made it clear to you that he wanted these payments in cash only?

Mr. Sylva. Clearly.

The CHAIRMAN. Never by check?

Mr. Sylva. Because I—I asked him, "Is it all right to make it by check?" He said, "No. Cash only."

The CHAIRMAN. I see. Were there any records kept of these transactions?

Mr. Sylva. Just—just the ones I kept.

The CHAIRMAN. OK. You are saying this was a weekly takeup?

paying it weekly, every 2 weeks, or once a month, but all the same amount.

The CHAIRMAN. How many people were contributing, in your eyes?

Mr. Sylva. At least 100, you know.

The CHAIRMAN. You are saying about 100 people were giving something like $12.50 to——

Mr. SYLVA. Everyone——

The CHAIRMAN. $25 a week?

Mr. SYLVA. Everyone I talked to on the job was contributing, over the 9-month period that I, you know, caroused around there.

The CHAIRMAN. Could you give us some of the names of some of the people who you personally know were making these payments?

Mr. SYLVA. Pat Quibideaux, Randy Crooks, GeraldSmith, Bo Sharp, you know, just to name a few. And there's a lot of them that I could—when you work these jobs, you really don't know anyone by their first name. Everybody has a nickname, but you recognize them all, you know.

The CHAIRMAN. I see.

Mr. SYLVA. And out of the bunch that went to the Lafayette grand jury thing, all of those people that were there the day I was there, paid.

The CHAIRMAN. Did you testify before the Federal grand jury that——

Mr. SYLVA. Yes, sir, I did.

The CHAIRMAN. We have discussed earlier? This was the grand jury that was investigating Mr. Carlock in 1981; is that right?

Mr. SYLVA. That's correct.

The CHAIRMAN. Did any of the operators on your crew also testify before the grand jury?

Mr. SYLVA. Yes, they did.

The CHAIRMAN. As I understand it, there were approximately 50 people who were there to testify.

Mr. SYLVA. Thirty to fifty.

The CHAIRMAN. Do you know how many of them actually testified or were called on to testify?

Mr. SYLVA. The day I was there, I think they got a total of four or five of us through, because when we got there, everybody was milling around in the hallway, in the witness room. Frank Salter was floating around the hallways trying to retain people as their counsel, legal counsel. He approached me. He said, "Would you like me to represent you?" I said, "What for? I haven't worked in 3 months. I can't afford to pay you, and you can't even be in the witness room with me," you know, and I just blew him off that way.

But he had people scared to death in my opinion before they even went into——

The CHAIRMAN. I see. Now, these 30 to 50 people you described, were these, all these people who were making these payments?

Mr. SYLVA. All from that job, yes.

The CHAIRMAN. OK. Were you ever contacted by the FBI in regard to your testimony?

Mr. SYLVA. Yes, I was.

The CHAIRMAN. Now, you spoke, as I recall, with a Steve Eck?

Mr. SYLVA. Steven Eck. That's right.

The CHAIRMAN. E-c-k. He was the resident agent in Lake Charles, as I understand.

Mr. SYLVA. That's correct.

The CHAIRMAN. OK. Now, can you tell us about that conversation?

Mr. SYLVA. Oh, well, we discussed, you know, what went on at the Kellogg job, you know, pertaining to the contributions and everything else, exactly what we discussed at the grand jury hearing.

The CHAIRMAN. OK. Now, as I understand it, while you were waiting to talk to the assistant U.S. attorney——

Mr. SYLVA. Yes, sir.

The CHAIRMAN. Who was a woman——

Mr. SYLVA. That's correct.

The CHAIRMAN. She said to you something like this, "You had better inform Frank Salter, the attorney representing seueral operators, that he may want to advise his clients of the penalty of perjury."

Mr. SYLVA. Yeah. What happened there was, sitting in the hallway, when they started taking—when they took the first witness, it was dragging out the 45 minutes to an hour and a half, which told us—told me, anyway—that people were getting there and lying.

The CHAIRMAN. Were getting what?

Mr. SYLVA. Were getting into the witness room and lying about what they had originally talked over with Eck.

So she came out into the hallway and cornered Frank Salter and said, "I suggest you inform your people of the penalty for perjury."

The CHAIRMAN. Oh, she said that to Frank Salter?

Mr. SYLVA. Yes, she did.

The CHAIRMAN. I see. Did you observe any irregularities in the handling of the grand jury?

Mr. SYLVA. In the—in the grand jury room itself——

The CHAIRMAN. Yes, the way it was handled.

Mr. SYLVA. Or in the hall?

The CHAIRMAN. Sure.

Mr. SYLVA. In the grand jury room, no. In the hallway, yes. I was seated out in the corridor close to the pay telephone, and C. J. kept calling that number and asking different people to come to the phone.

The CHAIRMAN. Who is C. J.?

Mr. SYLVA. C. J. Laird is the assistant business agent to Willard Carlock.

The CHAIRMAN. OK.

Mr. SYLVA. While sitsing there, one of the guys was called to the phone. Frank Salter answered the phone, called him to the phone. The guy hollered it out quite loudly, "C. J., I'm not about to commit perjury for anyone." And I am not the only one that heard him.

The CHAIRMAN. And you are saying he was talking to C. J. Laird, the assistant business agent at the local?

Mr. SYLVA. That is the only C. J. I would know that would be in town at that time.

The CHAIRMAN. Was the U.S. prosecutor aware of Mr. Salter's presence and his questioning of witnesses in front of other individuals who were waiting to testify?

Mr. SYLVA. I think she was aware of his presence, but I don't know if she was aware of what he was doing or what he was trying to glean out of all of this. I think he was just there to get information out of people, to find out what was going on inside.

The CHAIRMAN. You thought he was intimidating the witnesses?

Mr. SYLVA. Before they went in there, sure. I mean, there were a couple of guys I knew from the job that were white as ghosts.

The CHAIRMAN. Mr. Sylva, why would you think that most of these operators would be afraid to testify concerning their involement?

Mr. SYLVA. Intimidation, threats, you know. You don't work. You don't play the game, you don't work.

The CHAIRMAN. So No. 1 is intimidation; No. 2 that they might lose their jobs?

Mr. SYLVA. That is correct. But also, in the same token, why would they give the statements and then get there and we had a chance to do something and then back out? They just hurt our cause. I think there were only three of us that day that really said what really went on.

The CHAIRMAN. Mrs. Green has testified thatMr. Salter, who was representing Mr. Carlock, was questioning witnesses as they left the grand jury room.

Mr. SYLVA. He questioned me.

The CHAIRMAN. He questioned you?

Mr. SYLVA. He specifically asked me when I got out, "How did it go in there?" I said, "Fine." "What did they ask you?" I said, "It's none of your business. If they want you to know, they'll tell you." I had to go back to Lake Charles, and I sure didn't want them to know anything till they wanted it to come out.

The CHAIRMAN. Was it apparent to other grand jury witnesses that he was actually——

Mr. SYLVA. Sure. Yes, it was.

The CHAIRMAN [continuing]. That he was questioning those who had both testified and not yet testified?

Mr. SYLVA. You couldn't miss it.

The CHAIRMAN. Let me just put into the record at this point Sylva exhibit No. 1, which is an affidavit from Mrs. Rose Janise, who was a grand juror.

She said:

> Before me, the undersigned authority, and in the presence of the undersigned competent witnesses, personally came and appeared Rose Janise who, after being duly sworn, deposed and declared as follows:
>
> From February 1980 throuqh August 1981, I was impaneled on a Federal Grand Jury in Lafayette, Louisiana. I was subpoenaed for the Grand Jury in the name of Mrs. James B. [Rose] Plaisance. I am now divorced and have returned to my maiden name of Rose Janise.
>
> One of the cases I heard was one involving Willard Carlock, business agent of Local 406 of the International Union of Operating Engineers. After hearing numerous witnesses on this subject, we were told by the prosecutor that we would go into another case, which we did. I asked the prosecutor when we would complete this case. Just before completing our session, the prosecutor, an assistant U.S. Attorney, told me that they have 5 years to complete the case or drop it. Another Grand Jury would complete the case.
>
> The Grand Jury was terminated in August 1981 without deliberating on this case or voting on a true bill. In my opinion, the evidence I heard was sufficient to allow us to hear the rest of the case and to deliberate and vote on a true bill or no true bill. We were not allowed to do so.

It is an interesting affidavit.

The **Chairman**. Now, you are saying that when this attorney, Mr. Salter, was questioning these witnesses, you observed that. Could that have had a chilling effect on the witnesses that testified?

Mr. **Sylva**. Before the hearing; yes. In my opinion I am sure it did.

The **Chairman**. I see.

Mr. **Sylva**. He was advising some of them, you don't have to say anything.

The **Chairman**. Thank you, Mr. Sylva.

Our next witness will be Mr. Gene Barr of Sulphur, La.

STATEMENT OF GENE BARR

The **Chairman**. Mr. Barr, how long have you been associated with the International Union of Operating Engineers?

Mr. **Barr**. I joined the Operating Engineers in October 1969 in Kansas City, Mo.

The **Chairman**. In Kansas City, Mo. How long have you been associated with them in local 406 in Lake Charles?

Mr. **Barr**. Since 1974.

The **Chairman**. Since 1974?

Mr. **Barr**. Yes.

The **Chairman**. But you have been with the International since 1969?

Mr. **Barr**. Yes, sir, that is right.

The **Chairman**. During your service in local 406, had you ever been approached by union officials to make a contribution to the legal defense fund of Willard Carlock, Sr.?

Mr. **Barr**. Yes, sir, I have.

The **Chairman**. Did you in fact make those contributions?

Mr. **Barr**. Yes, sir, I sure did.

The **Chairman**. When were you first approached?

Mr. **Barr**. I was at home one afternoon, and Mike Scimemi—he was master mechanic on different jobs— he called me at home and said they were having a meeting in Mr. Carlock's office, and they were getting a bunch of Mr. Carlock's friends together to have a meeting there, and he would like for me to attend.

So I agreed to attend, and on the way there I stopped and picked up a friend of mine, Bobby Sonnier, and we went in to the meeting at the hall.

The **Chairman**. Did he indicate in his personal phone call to you what the purpose of the meeting was?

Mr. **Barr**. No, sir, he didn't.

The **Chairman**. You just agreed to attend?

Mr. **Barr**. Yes, sir.

The **Chairman**. How many other people were in attendance at that meeting?

Mr. **Barr**. There were approximately 14 or 15 there.

The **Chairman**. Can you identify any of the other members at this meeting?

Mr. **Barr**. Well, there was Bobby Sonnier, Mike Scimemi, Leroy Jackson, myself, Mr. Carlock, and there were others there. Well, I knew everyone there, but I just can't remember all the names.

The **Chairman**. What happened at that meeting?

Mr. **Barr**. Well, Mike Scimemi told us that Mr. Carlock needed us all to donate a certain amount of money for his attorneys' fees and said, you know, that if we didn't have the money, arrangements had been made for us to borrow the money to give to him.

The **Chairman**. And that was to help with Mr. Percy Foreman's fees?

Mr. **Barr**. Yes, sir, that is true.

The **Chairman**. Did they represent to you how much those fees were or how much was owed?

Mr. **Barr**. They said approximately $25,000 to $27,000.

The **Chairman**. I see. Did he ask that each of you donate cash or pay by check?

Mr. **Barr**. Well, they wanted cash, but most of us didn't have that kind of money, and so they had made arrangements for us to borrow the money.

The **Chairman**. From where?

Mr. **Barr**. From Financial Services of Lake Charles.

The **Chairman**. So if you couldn't pay in cash, then they wanted you to go down and sign a note to borrow the money and give it to Mr. Carlock that way?

Mr. **Barr**. Yes, sir; that is true.

The **Chairman**. I see. Did Mr. Scimemi specify to you the amount he wanted each of you to contribute?

Mr. **Barr**. Around $1,500.

The **Chairman**. So he asked each of you people to come up with $1,500?

Mr. **Barr**. Well, that is what I borrowed, yes, sir. I don't know what everybody else did.

The **Chairman**. So you went out and went to Finance Services of Lake Charles, Inc. Is that right?

Mr. **Barr**. Yes, sir.

The **Chairman**. And you borrowed that money?

Mr. **Barr**. Yes, sir.

The **Chairman**. And you gave it to Mr. Carlock?

Mr. **Barr**. Yes, sir. I met him at the Pitt Grill, and I endorsed the check and gave it to him.

The **Chairman**. Well, now, was this contribution linked in any way to your job security?

Mr. **Barr**. Well, Mike Scimemi told us that— he said, "If you all will do this for Mr. Carlock, you'll never have to worry about a job, and the money will be repaid to you."

The **Chairman**. I see. So they promised to repay you?

Mr. **Barr**. Yes, sir.

The **Chairman**. Now, what sort of arrangements were you able to make with Finance Service of Lake Charles, and who made those arrangements for you?

Mr. **Barr**. Well, Mr.—I forgot the gentleman's name that was president of Financial Services then. He and Mike Scimemi were real good friends, and either Mr. Scimemi or Mr. Carlock, one had already made the arrangements.

The **Chairman**. Was his name Don Simon?

Mr. **Barr**. Yes, sir, that is right.

The **Chairman**. I see. I think he was the manager of Finance Services at the time. Is that correct?

Mr. **Barr**. Yes, sir, he was.

The **Chairman**. You were actually told by Mike Scimemi that Mr. Simon would be expecting you and that previous arrangements had been made to grant you the loans, even before they talked to you?

Mr. **Barr**. Yes, sir, that is right. The papers were already made out and everything.

The **Chairman**. They had the notes already made out?

Mr. **Barr**. Yes, sir.

The **Chairman**. Well, according to the finance company's records, you borrowed $1,523.64 on November 16, 1977. Is that correct?

Mr. **Barr**. Yes, sir, that is true.

The **Chairman**. Now, your note was to be paid off over an 18-month period at an interest rate of 33 percent per annum, or a total of $2,160. Are those figures correct?

Mr. **Barr**. Yes, sir, that is true.

The **Chairman**. Let me place in the record at this point a disclosure statement as Barr exhibit No. 1, without objection.

Now, I have also obtained a copy of a check made out to you for $1,523.64. It is signed by Don Simon of Finance Services of Lake Charles and dated November 16, 1977.

Have you examined a copy of that check, and is that a correct copy?

Mr. **Barr**. Yes, sir, that is a correct copy.

The **Chairman**. We will put that into the record as Barr Exhibit No. 2.

[Barr exhibits Nos. 1 and 2 follow:]

DISCLOSURE STATEMENT AND PROMISSORY NOTE – NEGOTIABLE PAPER

LENDER PAYEE
COMPANY NAME : Finance Servicesof Lake Charles, Inc.
ADDRESS : 502 East College
CITY & STATE : Lake Charles, La 70605

BARR EXHIBIT # 1

BORROWER(S) NAME AND ADDRESS — SPOUSE

Dennis Gene Barr — Barbara
Rt 1 Box 170
Longville, La 70652

PARISH OF Beauregard

ACCOUNT NO	DATE OF LOAN	FIRST PAYMENT DUE DATE	OTHERS DUE SAME DAY OF EACH MONTH	CONTRACTUAL MATURITY DATE
D848	11-16-77	12-15-77		5-15-79

PAYABLE IN	AMOUNT OF FIRST PAYMENT	AMOUNT OF OTHER PAYMENTS	DATE FINANCE CHARGE BEGINS TO ACCRUE
18 installments	$ 120.00	$ 120.00	

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

1. Cash or Check(s) To Borrower(s)		$ 1523.64
2. Net Balance(s) Prior Account(s)		$
3. Checks Disbursed For Borrower's Account		$ 1523.64
4. Other Disbursements		
Credit Life Insurance	$ 64.80	
Credit Disability Insurance	$ 92.88	
Property Insurance	$	
Filing or Recording Fees	$ 4.00	
Notarial Fee	$	
Mortgage Fees	$	
Appraisal Fees	$	
Title Examination or Title Insurance	$	
Total Other Disbursements		$ 161.68
5. Amount Financed (Principal Amount of Note) (Total Of 1, 2, 3 & 4)		$ 1685.32
6. FINANCE CHARGE (Total of A & B)		$ 474.68
A. Interest	$ 474.68	
B. Notarial Fee	$	
7. ANNUAL PERCENTAGE RATE	33.04 %	
8. Total Of Payments (Total Amount of Note) (Total of 5 & 6)		$ 2160.00

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for such deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☐ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION

☒ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

1 rd plaid scothgrd divan, 1 chair same, 1 occasional bhair same, 1 maple occasional table, 1 maple end table, 1 lamp table, 1 hanging lamp, 1 set red curtains, 1 maple table, 1 maple chair, 1 maple china cabinet, 1 King size bed, 1 brn oak chest, 1 brn oak dresser, 1 green closet rug, 1 white french prov. chest, 1 vanity, 1 pink rug, 2 bunk beds, 1 dbl bed, 1 white french prov. chest, 1 rug, 1 GE refrig., 1 K-Mart tv, 1 Whirlpool washing machine,' 1 Whirlpool dryer.

☐ (c) Other (describe) In the event of foreclosure or seizure, the parties hereby designate the Mortgagor or his Agent as the keeper of the property or the Mortgagee may select the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date stated above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this Note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $________
Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 64.80 ☐ Level Term ☐ Decreasing Term) — Joint Credit Life Insurance $________ — Credit Disability Insurance $ 92.88

I desire Credit Life and Disability Insurance	I desire Credit Life Insurance	I DO NOT want Credit Life or Disability Insurance

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

A. Interest $ 474.00
B. Notarial Fee $ ____
7. ANNUAL PERCENTAGE RATE 33.04 %
8. Total Of Payments (Total Amount of Note) (Total of 5 & 6) $ 2160.00

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for such deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☐ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION

☒ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

1 rd plaid scotchgrd divan, 1 chair same, 1 occasional chair same, 1 maple occasional table, 1 maple end table, 1 lamp table, 1 hanging lamp, 1 set red curtains, 1 maple table, 1 maple chair, 1 maple china cabinet, 1 King size bed, 1 brn oak chest, 1 brn oak dresser, 1 green closet rug, 1 white french prov. chest, 1 vanity, 1 pink rug, 2 bunk beds, 1 dbl bed, 1 white french prov. chest, 1 rug, 1 GE refrig., 1 K-Mart tv, 1 Whirlpool washing machine,' 1 Whirlpool dryer.

☐ (c) Other (describe) In the event of foreclosure or seizure, the parties hereby designate the Mortgagor or his Agent as the keeper of the property or the Mortgagee may select the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ ________

Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 64.80 Joint Credit Life Insurance $ ________ Credit Disability Insurance $ 92.88

☒ Level Term ☐ Decreasing Term)

I desire Credit Life and Disability Insurance		I desire Credit Life Insurance		I DO NOT want Credit Life or Disability Insurance	
	Dennis Lee Barr	(Date)	(Borrower's Signature)	(Date)	(Borrower's Signature)
(Date) 11-16-77	(Borrower's Signature)	(Date)	(Borrower's Signature)	(Date)	(Borrower's Signature)

Borrower hereby acknowledges receipt of a completed copy of this NOTE and DISCLOSURE STATEMENT and agrees to all of the terms hereof.

Witnesses as to signatures of all borrowers: Borrower(s):

Dennis Lee Barr

Barbara L. Barr

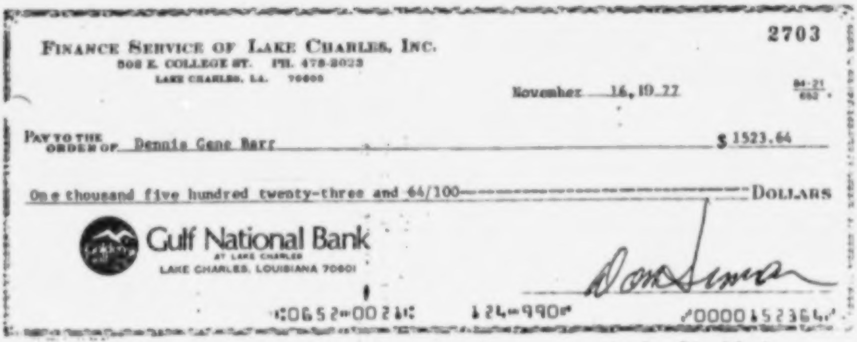
NE VARIETUR

For identification with an act of Chattel Mortgage acknowledged before me this 16th day of November 1977

Notary Public

STATE OF LOUISIANA
PARISH OF Calcasieu

COPY



FINANCE SERVICE OF LAKE CHARLES, INC.
508 E. COLLEGE ST. PH. 478-2023
LAKE CHARLES, LA. 70605

2703

November 16, 19 77

84-21
652

PAY TO THE ORDER OF Dennis Gene Barr $ 1523.64

One thousand five hundred twenty-three and 64/100———————————— DOLLARS

Gulf National Bank
AT LAKE CHARLES
LAKE CHARLES, LOUISIANA 70601

Don Simon

⑆0652⑉0021⑆ 124⑉990⑈ ⑈0000152364⑈

Barr Exhibit #2

The **Chairman**. You are saying that is a correct copy?

Mr. **Barr**. Yes, sir.

The **Chairman**. All right; what did you do with that check?

Mr. **Barr**. As soon as I signed all the papers and I got the check, I was to meet Mr. Carlock at the Pitt Grill on the corner of Pree and Lake Roads, and so I met him there and I endorsed the check and gave it to him.

The **Chairman**. The check is endorsed by both you and Percy Foreman. Is that correct?

Mr. **Barr**. Yes, sir.

The **Chairman**. Is this the well known criminal defense attorney, Percy Foreman of Houston, Tex.?

Mr. **Barr**. Yes, sir. He was Mr. Carlock's attorney at the time.

The **Chairman**. Are you aware of any other participants in the meetings who made arrangements with Finance Services of Lake Charles for loans to cover their contributions to the Carlock defense fund?

Mr. **Barr**. Yes, sir. The boy that went with me, Bobby Sonnier, he had to make——

The **Chairman**. That is S-o-n-n-i-e-r?

Mr. **Barr**. Yes, sir. He had to make the same arrangements I did.

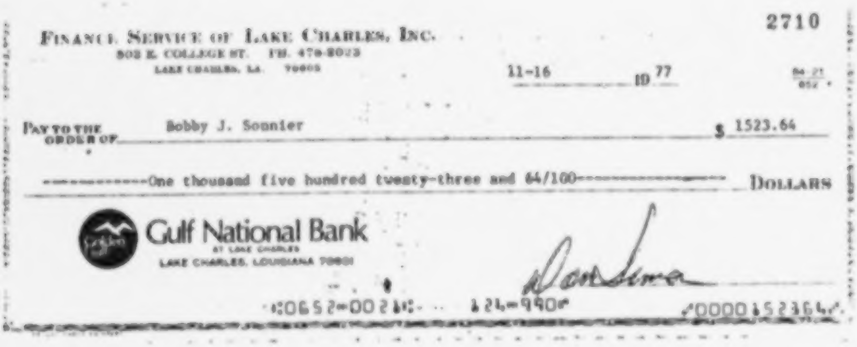
The **Chairman**. So he got the same amount of money, $1,523.64, right?

Mr. **Barr**. Yes, sir.

The **Chairman**. Well, we will put those in the record, a disclosure statement and the Sonnier check, as Barr exhibits Nos. 3 and 4. Without objection, we will place those in the record, also.

I might also indicate for the record that the Sonnier check is also endorsed by Percy Foreman.

[Barr exhibits Nos. 3 and 4 follow:]



2710

FINANCE SERVICE OF LAKE CHARLES, INC.
502 E. COLLEGE ST. PH. 478-2023
LAKE CHARLES, LA. 70605

11-16 19 77

PAY TO THE ORDER OF Bobby J. Sonnier $ 1523.64

-------------One thousand five hundred twenty-three and 64/100------------------ DOLLARS

Gulf National Bank
AT LAKE CHARLES
LAKE CHARLES, LOUISIANA 70601

⑆0652-0021⑆ 124-990⑈ ⑈0000152364⑈

Barr Exhibits No. 3 & 4

DISCLOSURE STATEMENT AND PROMISSORY NOTE – NEGOTIABLE PAPER

LENDER PAYEE
COMPANY NAME ,Finance Service of Lake Charles, Inc.
ADDRESS ,502 East College
CITY & STATE ,Lake Charles, L a 70605

BORROWER(S) NAME AND ADDRESS SPOUSE

Bobby J Sonnier Beverly
P O Box 7203
Lake Charles, La 70601

PARISH OF Calcasieu

[illegible]	[illegible]	FIRST PAYMENT DUE DATE	OTHERS DUE SAME DAY OF EACH MONTH	MATURITY DATE
D853-15	11-16-77	12-15-77		5-15-79
PAYABLE IN	AMOUNT OF FIRST PAYMENT	AMOUNT OF OTHER PAYMENTS	DATE FINANCE CHARGE BEGINS TO ACCRUE	
18 MONTHLY PAYMENTS	$ 120.00	$ 120.00		

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

1 Cash or Check(s) To Borrower(s)		$ 1523.64
2 Net Balance(s) – Prior Account(s)		$
3 Checks Disbursed For Borrower's Account		$ 1523.64
4 Other Disbursements		
Credit Life Insurance	$ 64.80	
Credit Disability Insurance	$ 92.88	
Property Insurance	$	
Filing Or Recording Fees	$ 4.00	
Notarial Fee	$	
Mortgage Fees	$	
Appraisal Fees	$	
Title Examination Or Title Insurance	$	
Total Other Disbursements		$ 161.68
5 Amount Financed (Principal Amount of Note) (Total Of 1, 2, 3 & 4)		$ 1685.32
6 **FINANCE CHARGE** (Total of A & B)		$ 474.68
A. Interest	$ 474.68	
B. Notarial Fee	$	
7 **ANNUAL PERCENTAGE RATE** 33.04 %		
8 Total Of Payments (Total Amount of Note) (Total of 5 & 6)		$ 2160.00

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00 if more than one-half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, holder or payee may unilaterally grant a deferral and make and collect a charge for such deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and ~~any future loan.~~

☑ (a) Motor Vehicle(s)

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION
~~Chev.~~	~~1973~~					

☒ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

☐ (c) Other (describe) In the event of foreclosure or seizure, the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $__________ Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 64.80 (☐ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $__________ Credit Disability Insurance $ 92.88

☒ I desire Credit Life and Disability Insurance I desire Credit Life Insurance I DO NOT want Credit Life or Disability Insurance

18 Payments $ 120.00 $ 120.00

A. Interest $ 474.68

B. Notarial Fee $ ________

7 **ANNUAL PERCENTAGE RATE** 33.04 %

8 Total Of Payments (Total Amount of Note) (Total of 5 & 6) $ 2160.00

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. **DEFERRAL CHARGE:** In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for such deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☒ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION
Chev.	1972					

☒ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

☐ (c) Other (describe) **In the event of foreclosure or seizure, the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.**

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date stated above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ ________
Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 64.80 (☐ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $ ________ Credit Disability Insurance $ 92.88

I desire Credit Life and Disability Insurance	I desire Credit Life Insurance	I DO NOT want Credit Life or Disability Insurance
	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)
(Date) Bobby J Dennis (Borrower's Signature)	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)

Borrower hereby acknowledges receipt of a completed copy of this NOTE and DISCLOSURE STATEMENT and agrees to all of the terms hereof.

Witnesses as to signature(s) of all borrowers: Borrower(s):

Bobby J Dennis

Beverly Dennis

NE VARIETUR

For identification with an act of Chattel Mortgage acknowledged before me this 16th day of November, 19 77

Notary Public

STATE OF LOUISIANA
PARISH OF Calcasieu

The CHAIRMAN. Now, you have already identified Leroy Jackson and Michael Scimemi as participants in the meeting at the union hall regarding contributions to the Carlock defense fund.

Mr. BARR. Yes, sir.

The CHAIRMAN. Are you familiar with the names Willard Carlock, Jr., Jimmy J. Cooper, Iland Fontenot, Anthony Jerome Tortomase, I guess, Columbus J. Laird, Jr., and Vernon A. Causey?

Mr. BARR. Yes, sir. I know them all.

The CHAIRMAN. They are all members of local 406?

Mr. BARR. Yes, sir, all except one, and he was—well, he has passed away. Let me put it that way.

The CHAIRMAN. They were all present at that particular meeting?

Mr. BARR. Yes, sir.

The CHAIRMAN. And they all got loans as well, to your knowledge. Is that correct?

Mr. BARR. Yes, sir. They all got loans or contributed.

The CHAIRMAN. Well, I will read off the names of these additional operators, the amounts borrowed by each, and the dates the loans were made.

Willard Carlock, Jr. The date of the loan was November 16, 1977; the amount was $1,512.64.

Jimmy J. Cooper, again on November 16, 1977; the amount was $1,523.64.

Michael J. Scimemi, again on November 16, 1977; the amount was $2,331.11.

Iland Fontenot, again on November 16, 1977; the amount was $1,060.76.

William LeRoy Jackson, again on November 16, 1977, $1,517.64.

Anthony Jerome Tortomase, November 17, 1977; $522.46.

Columbus J. Laird, Junior, November 17, 1977; $1,520.64.

Vernon A. Causey, November 17, 1977, for $1,520.64.

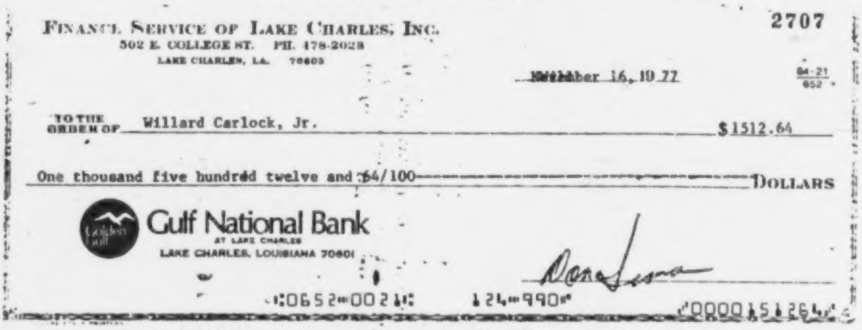
The grand total of that amount borrowed from that particular finance company was $14,556.81.

Now, this total includes the checks to you and Mr. Sonnier. The check stubs are endorsed by Mr. Percy Foreman, with the exception of the Vernon Causey check that was endorsed by Mr. Willard Carlock.

Now, I will enter all of these checks and disclosure statements into the record as Barr exhibits Nos. 5 through 20, without objection.

[Barr exhibits Nos. 5 through 20 follow:]

BARR Exhibits 5 through 20



FINANCE SERVICE OF LAKE CHARLES, INC.
502 E. COLLEGE ST. PH. 478-2023
LAKE CHARLES, LA. 70605

2707

November 16, 19 77

84-21
652

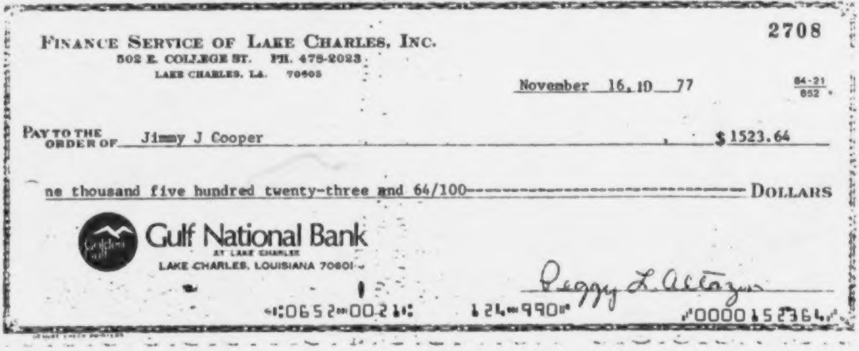
TO THE ORDER OF Willard Carlock, Jr. $1512.64

One thousand five hundred twelve and 64/100 DOLLARS

Gulf National Bank
AT LAKE CHARLES
LAKE CHARLES, LOUISIANA 70601

Don Simon

⑆0652⑉0021⑆ 124⑈990⑈ ⑈0000151264⑈



FINANCE SERVICE OF LAKE CHARLES, INC.
502 E. COLLEGE ST. PH. 478-2023
LAKE CHARLES, LA. 70605

2708

November 16, 19 77

84-21
652

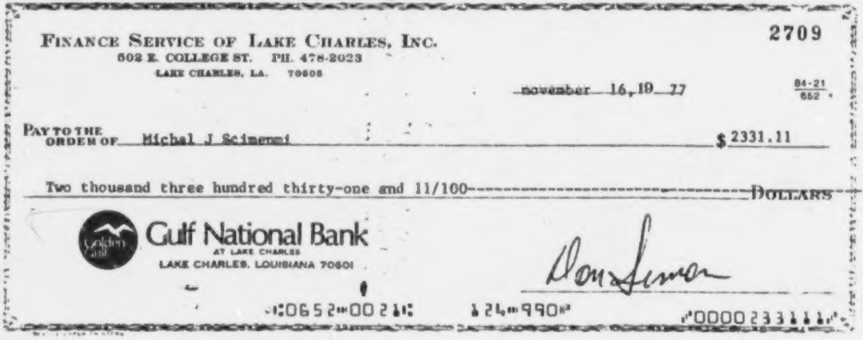
PAY TO THE ORDER OF Jimmy J Cooper $1523.64

ne thousand five hundred twenty-three and 64/100 DOLLARS

Gulf National Bank
AT LAKE CHARLES
LAKE CHARLES, LOUISIANA 70601

Peggy L. Altazan

⑆0652⑉0021⑆ 124⑈990⑈ ⑈0000152364⑈



FINANCE SERVICE OF LAKE CHARLES, INC.
502 E. COLLEGE ST. PH. 478-2023
LAKE CHARLES, LA. 70605

2709

november 16, 19 77

84-21
652

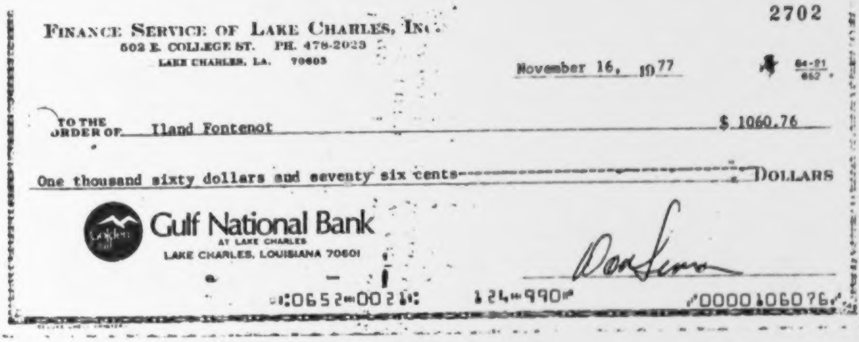
PAY TO THE ORDER OF Michal J Scimemmi $2331.11

Two thousand three hundred thirty-one and 11/100 DOLLARS

Gulf National Bank
AT LAKE CHARLES
LAKE CHARLES, LOUISIANA 70601

Don Simon

⑆0652⑉0021⑆ 124⑈990⑈ ⑈0000233111⑈



2702

FINANCE SERVICE OF LAKE CHARLES, INC.
502 E. COLLEGE ST. PH. 478-2023
LAKE CHARLES, LA. 70605

November 16, 1977

84-21/652

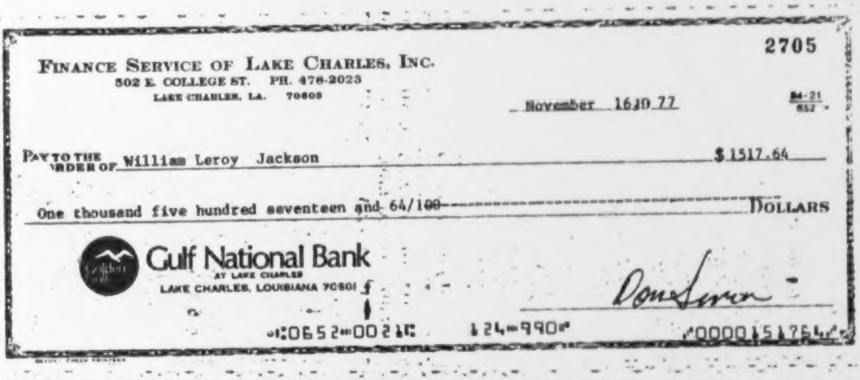
TO THE ORDER OF Iland Fontenot $ 1060.76

One thousand sixty dollars and seventy six cents DOLLARS

Gulf National Bank
AT LAKE CHARLES
LAKE CHARLES, LOUISIANA 70601

:0652-0021: 124-990 0000106076

:0652-0021: 124-990 0000106076



2705

FINANCE SERVICE OF LAKE CHARLES, INC.
502 E. COLLEGE ST. PH. 478-2023
LAKE CHARLES, LA. 70605

November 16 1977

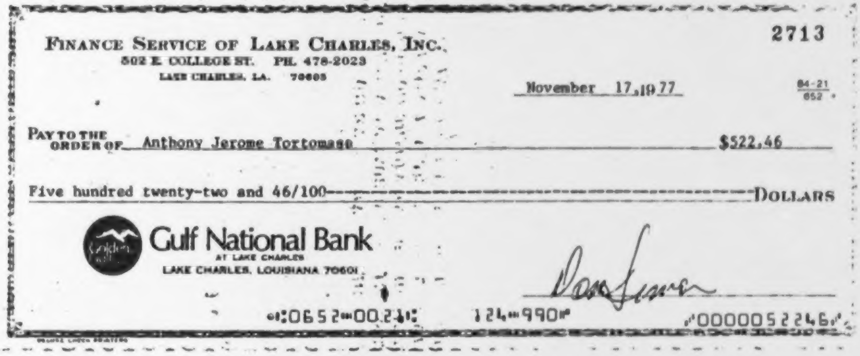
84-21/652

PAY TO THE ORDER OF William Leroy Jackson $ 1517.64

One thousand five hundred seventeen and 64/100 DOLLARS

Gulf National Bank
AT LAKE CHARLES
LAKE CHARLES, LOUISIANA 70601

:0652-0021: 124-990 0000151764



2713

FINANCE SERVICE OF LAKE CHARLES, INC.
502 E. COLLEGE ST. PH. 478-2023
LAKE CHARLES, LA. 70605

November 17, 1977

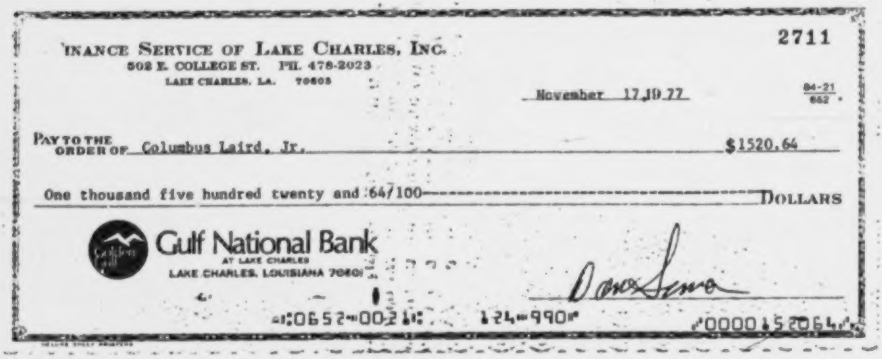
84-21/652

PAY TO THE ORDER OF Anthony Jerome Tortomase $522.46

Five hundred twenty-two and 46/100 DOLLARS

Gulf National Bank
AT LAKE CHARLES
LAKE CHARLES, LOUISIANA 70601

:0652-0021: 124-990 0000052246



INANCE SERVICE OF LAKE CHARLES, INC.
502 E. COLLEGE ST. PH. 478-2023
LAKE CHARLES, LA. 70605

2711

November 17, 19 77

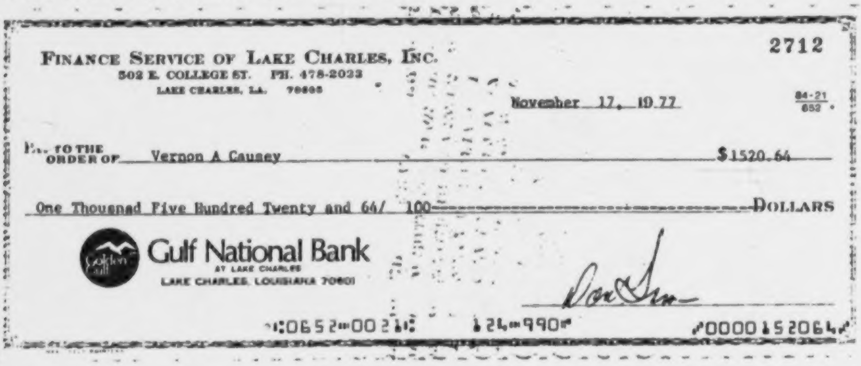
84-21/652

PAY TO THE ORDER OF Columbus Laird, Jr. $1520.64

One thousand five hundred twenty and 64/100------------------------------------DOLLARS

Gulf National Bank
AT LAKE CHARLES
LAKE CHARLES, LOUISIANA 70601

⑆0652⑉0021⑆ 124⑈990⑈ ⑈0000152064⑈



FINANCE SERVICE OF LAKE CHARLES, INC.
502 E. COLLEGE ST. PH. 478-2023
LAKE CHARLES, LA. 70605

2712

November 17, 19 77

84-21/652

PAY TO THE ORDER OF Vernon A Causey $1520.64

One Thousnad Five Hundred Twenty and 64/ 100------------------------------------DOLLARS

Gulf National Bank
AT LAKE CHARLES
LAKE CHARLES, LOUISIANA 70601

⑆0652⑉0021⑆ 124⑈990⑈ ⑈0000152064⑈

DISCLOSURE STATEMENT AND PROMISSORY NOTE – NEGOTIABLE PAPER

LENDER PAYEE
COMPANY NAME Finance Service of Lake Charles, Inc.
ADDRESS 502 East College
CITY & STATE Lake Charles, La 70605

BORROWER(S) NAME AND ADDRESS — SPOUSE Jewie Jane

Willard S. Corlock, Jr.
110 Garden Street
Sulphur, La 70663

PARISH OF Calcasieu

[illegible]	DATE OF LOAN	FIRST PAYMENT DUE DATE	OTHERS DUE SAME DAY OF EACH MONTH	CONTRACTUAL MATURITY DATE
D851	11-16-77	12-15-77		5-15-79

NUMBER OF MONTHLY PAYMENTS	AMOUNT OF FIRST PAYMENT	AMOUNT OF OTHER PAYMENTS	DATE FINANCE CHARGE BEGINS TO ACCRUE
18	$ 120.00	$ 120.00	

1. Cash or Check(s) To Borrower(s)		$ 1512.64
2. Net Balance(s) – Prior Account(s)		$
3. Checks Disbursed For Borrower's Account		$ 1512.64
4. Other Disbursements		
Credit Life Insurance	$ 64.80	
Credit Disability Insurance	$ 92.88	
Property Insurance	$	
Filing Or Recording Fees	$ 15.00	
REAL ESTATE ONLY: Notarial Fee	$	
REAL ESTATE ONLY: Mortgage Fees	$	
REAL ESTATE ONLY: Appraisal Fees	$	
REAL ESTATE ONLY: Title Examination Or Title Insurance	$	
Total Other Disbursements		$ 172.68
5. Amount Financed (Principal Amount of Note) (Total Of 1, 2, 3 & 4)		$ 1685.32
6. **FINANCE CHARGE** (Total of A & B)		$ 474.68
A. Interest	$ 474.68	
B. Notarial Fee	$	
7. **ANNUAL PERCENTAGE RATE** 33.04 %		
8. Total Of Payments (Total Amount of Note) (Total of 5 & 6)		$ 2160.00

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for such deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☒ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION
Ford	1973	F11YCR47459		3500 PU	green	
Dodge	1968	5881733825		Dump Truck		

☐ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

☐ (c) Other (describe) In the event of foreclosure or seizure the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ ________.
Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 64.80 (☒ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $ ________ Credit Disability Insurance $ 92.88

I desire Credit Life and Disability Insurance — I desire Credit Life Insurance — I DO NOT want Credit Life or Disability Insurance

18 [illegible] $ 120.00 $ 120.00

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

6. [illegible]
A. Interest . . . . $ 474.68
B. Notarial Fee . . . . . . $

7. **ANNUAL PERCENTAGE RATE** 33.04 %

8. Total Of Payments (Total Amount of Note) (Total of 5 & 6) . . . . . . $ 2160.00

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for such deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☒ (a) Motor Vehicle(s)

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION
Ford	1973	F11YCR47459		3500 PU	green	
Dodge	1968	S881733825		Dump Truck		

☐ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

☐ (c) Other (describe) In the event of foreclosure or seizure the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ ________

Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 64.80 (☒ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $ ______ Credit Disability Insurance $ 92.88

I desire Credit Life and Disability Insurance	I desire Credit Life Insurance	I DO NOT want Credit Life or Disability Insurance
	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)
11-16-77 (Date) (Borrower's Signature)	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)

Borrower hereby acknowledges receipt of a completed copy of this NOTE and DISCLOSURE STATEMENT and agrees to all of the terms hereof.

Witnesses as to signature(s) of all borrowers:

Don Simon

Peggy Veltzin

Borrower(s):

Carlock Jr.

Jessie Jean Carlock

NE VARIETUR

identification with an act of Chattel Mortgage acknowledged before me this 16th day of November, 19 77

Notary Public

STATE OF LOUISIANA
PARISH OF Calcasieu

COPY

DISCLOSURE STATEMENT AND PROMISSORY NOTE – NEGOTIABLE PAPER

LENDER PAYEE
COMPANY NAME • Finance Srvc of Lake Charles, Inc
ADDRESS • 502 East College
CITY & STATE • Lake Charles, La 70605

BORROWER(S) NAME AND ADDRESS — SPOUSE

Anthony Jerome Tortomase
Rt 7 Box 134
Lake Charles, La 70601

PARISH OF Calcasieu

ACCOUNT NO	DATE OF LOAN	FIRST PAYMENT DUE DATE	OTHERS DUE SAME DAY OF EACH MONTH	CONTRACTUAL MATURITY DATE
D856	11-17-77	12-15-77		5-15-79

PAYABLE IN	AMOUNT OF FIRST PAYMENT	AMOUNT OF OTHER PAYMENTS	DATE FINANCE CHARGE BEGINS TO ACCRUE
18 MONTHLY PAYMENTS	$ 42.00	$ 42.00	

1. Cash or Check(s) To Borrower(s)		$ 522.46
2. Net Balance(s) Prior Account(s)		$
3. Checks Disbursed For Borrower's Account		$ 522.46
4. Other Disbursements		
Credit Life Insurance	$ 22.68	
Credit Disability Insurance	$ 32.51	
Property Insurance	$	
Filing Or Recording Fees	$	
REAL ESTATE ONLY: Notarial Fee	$	
Mortgage Fees	$	
Appraisal Fees	$	
Title Examination Or Title Insurance	$	55.19
Total Other Disbursements		$ [illegible]
5. Amount Financed (Principal Amount of Note) (Total Of 1, 2, 3 & 4)		$ 577.68
6. **FINANCE CHARGE** (Total of A & B)		$ 178.35
A. Interest	$ 178.35	
B. Notarial Fee	$	
7. **ANNUAL PERCENTAGE RATE** 36.00 %		
8. Total Of Payments (Total Amount of Note) (Total of 5 & 6)		$ 756.00

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00 if more than one-half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for one deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☐ (a) Motor Vehicle(s)

MAKE	MODEL YEAR	SERIAL NO	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION

☐ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

1 tv

☐ (c) Other (describe) In the event of foreclosure or seizure, the parties hereby designate the Mortgagee or Its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in following

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ ______
Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 22.68 ☒ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $ ______ Credit Disability Insurance $ 32.51

I desire Credit Life and Disability Insurance — I desire Credit Life Insurance — I DO NOT want Credit Life or Disability Insurance

☒ [illegible] Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

8. Notarial Fee . . . . $______

7. **ANNUAL PERCENTAGE RATE** 36.00 %

8. Total Of Payments (Total Amount of Note) (Total of 5 & 6) . . . . . . $ 756.00

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and the loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for such deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loans.

☐ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION

☐ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

1 tv

☐ (c) Other (describe) **In the event of foreclosure or seizure, the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.**

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date stated above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $________.

Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 22.68 (☒ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $________ Credit Disability Insurance $ 32.51

I desire Credit Life and Disability Insurance	I desire Credit Life Insurance	I DO NOT want Credit Life or Disability Insurance
	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)
11-17-77 (Date) Anthony Jerome [illegible] (Borrower's Signature)	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)

Borrower hereby acknowledges receipt of a completed copy of this NOTE and DISCLOSURE STATEMENT and agrees to all of the terms hereof.

Witnesses as to signature(s) of all borrowers:

[illegible]

Peggy [illegible]

Borrower(s):

Anthony Jerome [illegible]

NE VARIETUR

For identification with an act of Chattel Mortgage acknowledged before me this 17th day of November, 1977

Notary Public

STATE OF LOUISIANA
PARISH OF Calcasieu

COPY

DISCLOSURE STATEMENT AND PROMISSORY NOTE – NEGOTIABLE PAPER

LENDER PAYEE
COMPANY NAME , Finance Service of Lake Cahrles, Inc.
ADDRESS , 502 Eadt College
CITY & STATE , Lake Charles, La 70605

BORROWER(S) NAME AND ADDRESS SPOUSE

Vernon A Causey
Rt 1 Box 173D
Oakdale, La 71463

Geraldine

PARISH OF Allen

ACCOUNT NO.	DATE OF LOAN	FIRST PAYMENT DUE DATE	OTHERS DUE SAME DAY OF EACH MONTH	CONTRACTUAL MATURITY DATE
D854	11-21-77	12-20-77		5-20-79

PAYABLE IN	AMOUNT OF FIRST PAYMENT	AMOUNT OF OTHER PAYMENTS	DATE FINANCE CHARGE BEGINS TO ACCRUE
18 MONTHLY PAYMENTS	$ 120.00	$ 120.00	

1. Cash or Check(s) To Borrower(s) $ 1520.64
2. Net Balance(s) – Prior Account(s) $ ______
3. Checks Disbursed For Borrower's Account $ 1520.64
4. Other Disbursements
   - Credit Life Insurance $ 64.80
   - Credit Disability Insurance $ 92.88
   - Property Insurance $ ______
   - Filing Or Recording Fees $ 7.00
   - REAL ESTATE ONLY: Notarial Fee $ ______
   - Mortgage Fees $ ______
   - Appraisal Fees $ ______
   - Title Examination Or Title Insurance $ ______

   Total Other Disbursements $ 164.68
5. Amount Financed (Principal Amount of Note) (Total Of 1, 2, 3 & 4) $ 1685.32
6. **FINANCE CHARGE** (Total of A & B) $ 474.68
   - A. Interest $ 474.68
   - B. Notarial Fee $ ______
7. **ANNUAL PERCENTAGE RATE** 33.04 %
8. Total Of Payments (Total Amount of Note) (Total of 5 & 6) $ 2160.00

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for the deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☒ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION
Ford	1977	F15JL023543				

☐ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

☐ (c) Other (describe) In the event of foreclosure or seizure, the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following.

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ ______
Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 64.80 (☒ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $ ______ Credit Disability Insurance $ 92.88

I desire Credit Life and Disability Insurance I desire Credit Life Insurance I DO NOT want Credit Life or Disability Insurance

18 120.00 120.00

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

6A. Interest $ 474.68
B. Notarial Fee $
7. **ANNUAL PERCENTAGE RATE** 33.06 %
8. Total Of Payments (Total Amount of Note) (Total of 5 & 6) $ 2160.00

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. **DEFERRAL CHARGE:** In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☒ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION
Ford	1977	F15JL023543				

☐ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

☐ (c) Other (describe) In the event of foreclosure or seizure, the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date stated above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ ________
Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 64.80 (☒ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $ ________ Credit Disability Insurance $ 92.88

I desire Credit Life and Disability Insurance	I desire Credit Life Insurance	I DO NOT want Credit Life or Disability Insurance
	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)
11-21-77 (Date) (Borrower's Signature)	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)

Borrower hereby acknowledges receipt of a completed copy of this NOTE and DISCLOSURE STATEMENT and agrees to all of the terms hereof.

Witnesses as to signature(s) of all borrowers: Borrower(s):

NE VARIETUR

For identification with an act of Chattel Mortgage acknowledged before me this 17th day of November, 1977

Notary Public

STATE OF LOUISIANA
PARISH OF Calcasieu

COPY

DISCLOSURE STATEMENT AND PROMISSORY NOTE – NEGOTIABLE PAPER

LENDER PAYEE
COMPANY NAME : Finance Service of Lake Charles, Inc.
ADDRESS : 502 East College
CITY & STATE : Lake Charles, La 70605

BORROWER(S) NAME AND ADDRESS — SPOUSE: Hattie Faye

Columbus Laird, Jr.
Rt 1 Box 172J
Matthew Street
Oakdale, La 71463

PARISH OF Allen

ACCOUNT NO.	DATE OF LOAN	FIRST PAYMENT DUE DATE	OTHERS DUE SAME DAY OF EACH MONTH	CONTRACTUAL MATURITY DATE
D855	11-17-77	12-15-77		5-15-79

PAYABLE IN	AMOUNT OF FIRST PAYMENT	AMOUNT OF OTHER PAYMENTS	DATE FINANCE CHARGE BEGINS TO ACCRUE
18 MONTHLY PAYMENTS	$ 120.00	$ 120.00	

1 Cash or Check(s) To Borrower(s)		$ 1520.64
2 Net Balance(s) Prior Account(s)		$
3 Checks Disbursed For Borrower's Account		$ 1520.64
4 Other Disbursements		
Credit Life Insurance	$ 64.80	
Credit Disability Insurance	$ 92.88	
Property Insurance	$	
Filing Or Recording Fees	$ 7.00	
REAL ESTATE ONLY: Notarial Fee	$	
REAL ESTATE ONLY: Mortgage Fees	$	
REAL ESTATE ONLY: Appraisal Fees	$	
REAL ESTATE ONLY: Title Examination Or Title Insurance	$	
Total Other Disbursements		$ 164.68
5 Amount Financed (Principal Amount of Note) (Total Of 1, 2, 3 & 4)		$ 1685.32
6 **FINANCE CHARGE** (Total of A & B)		$ 474.68
A. Interest	$474.68	
B. Notarial Fee	$	
7 **ANNUAL PERCENTAGE RATE**	33.04 %	
8 Total Of Payments (Total Amount of Note) (Total of 5 & 6)		$ 2160.00

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for such deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☒ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION
Chevrolet	1973	CCX143A188C98		Fleetside PU	red/wht	

☒ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

1 blk naughyd divan, 1 blck ng. chair, 1 blck ng. lounge chair, 1 blk ng. occasional chair, 1 3 end tables, 1 green carpet covering entire house, 3 lamp tables, 2 floor lamps, 8 xxx sets curtains, 8 chairs, 1 antique buffet, 1 queen size bed, 2 queen size beds, 1 19 cu. ft. Wards refrigerator, 1 sewing machine, 1 vacuum cleaner, 1 tv, 1 tv, 1 radio, 1 Maytag washing machine, 1 Wards range, 1 toaster, 1 mixer, 1 Air/cond., 1 freezer, 1 dishwasher, 1 Maytag dryer, 1 record player.

☐ (c) Other (describe) In the event of foreclosure or seizure, the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described as following:

____

____

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ ________. Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 64.80 (☒ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $ ________ Credit Disability Insurance $ 92.88

I desire Credit Life and Disability Insurance	I desire Credit Life Insurance	I DO NOT want Credit Life or Disability Insurance

[illegible]	[illegible]
6. Notarial Fee	$
7. **ANNUAL PERCENTAGE RATE**	33.04 %
8. Total Of Payments (Total Amount of Note) (Total of 5 & 6)	$ 2160.00

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for such deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☒ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION
Chevrolet	1973	CCX143A188098		Fleetside PU	red/wht	

☒ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

1 blk naughyd divan, 1 blck ng. chair, 1 blck ng. lounge chair, 1 blk ng. occasional chair, ~~1~~ 3 end tables, 1 green carpet covering entire house, 3 lamp tables, 2 floor lamps, 8 ~~xxx~~ sets curtains, 8 chairs, 1 antique buffet, 1 queen size bed, 2 queen size beds, 1 19 cu. ft. Wards refrigerator, 1 sewing machine, 1 vacumm cleaner, 1 tv, 1 tv, 1 radio, 1 Maytag washing machine, 1 Wards range, 1 taoster, 1 mixer, 1 air/cond., 1 freezer, 1 dishwasher, 1 Maytag dryer, 1 record player.

☐ (c) Other (describe) **In the event of foreclosure or seizure, the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.**

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ ________

Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 64.80 Joint Credit Life Insurance $ ____ Credit Disability Insurance $ 92.88

[☒] Level Term [ ] Decreasing Term

I desire Credit Life and Disability Insurance	I desire Credit Life Insurance	I DO NOT want Credit Life or Disability Insurance
(Date) (Borrower's Signature)	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)
11-17-77 Columbus Laird, Jr (Date) (Borrower's Signature)	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)

Borrower hereby acknowledges receipt of a completed copy of this NOTE and DISCLOSURE STATEMENT and agrees to all of the terms hereof.

Witnesses as to signature(s) of all borrowers: Borrowers:

D. Allison Columbus Laird, Jr

Peggy Altazan

NE VARIETUR

For identification with an act of Chattel Mortgage acknowledged before me this 17th day of November 1977

Notary Public

STATE OF LOUISIANA
PARISH OF Calcasieu

COPY

DISCLOSURE STATEMENT AND PROMISSORY NOTE – NEGOTIABLE PAPER

LENDER PAYEE
COMPANY NAME , Finance Service of Lake Charles, Inc.
ADDRESS , 502 East College
CITY STATE , Lake Charles, La 70605

BORROWER(S) NAME AND ADDRESS — SPOUSE

Jimmy J Cooper — Dorothy J
1438 Bower St
DeRidder, La 70634

PARISH OF Beauregard

ACCOUNT NO. D850	DATE OF LOAN 11-16-77	FIRST PAYMENT DUE DATE 12-15-77	OTHERS DUE SAME DAY OF EACH MONTH	CONTRACTUAL MATURITY DATE 5-15-79
PAYABLE IN 18 MONTHLY PAYMENTS	AMOUNT OF FIRST PAYMENT $ 120.00	AMOUNT OF OTHER PAYMENTS $ 120.00	DATE FINANCE CHARGE BEGINS TO ACCRUE	

1. Cash or Check(s) To Borrower(s)		$ 1523.64
2. Net Balance(s) – Prior Account(s)		$
3. Checks Disbursed For Borrower's Account		$ 1523.64
4. Other Disbursements		
Credit Life Insurance	$ 64.80	
Credit Disability Insurance	$ 92.88	
Property Insurance	$	
Filing Or Recording Fees	$ 4.00	
REAL ESTATE ONLY: Notarial Fee	$	
Mortgage Fees	$	
Appraisal Fees	$	
Title Examination Or Title Insurance	$	
Total Other Disbursements		$ 161.68
5. Amount Financed (Principal Amount of Note) (Total Of 1, 2, 3 & 4)		$ 1685.32
6. **FINANCE CHARGE** (Total of A & B)		$ 474.68
A. Interest	$ 474.68	
B. Notarial Fee	$	
7. **ANNUAL PERCENTAGE RATE**	33.04 %	
8. Total Of Payments (Total Amount of Note) (Total of 5 & 6)		$ 2160.00

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☐ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION

☒ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

1 gold design fabric divan, 1 gold design fabric chair, 1 mahogany finish table, . chairs,
1 dbl bed, 3 chests, 3 dressers, 2 dbl beds, 1 Coldspot refrigartr, 1 RCA console color tv,
1 GE 1 ton load washer, 1 upright Admiral freezer, 1 Sears front load dryer.

☐ (c) Other (describe) In the event of foreclosure or seizure the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ ________. Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 64.80 (☒ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $ ________ Credit Disability Insurance $ 92.88

I desire Credit Life and Disability Insurance	I desire Credit Life Insurance	I DO NOT want Credit Life or Disability Insurance

[illegible] $ 120.00 6 [illegible] $ 120.00

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

A. Interest	$ 474.68
B. Notarial Fee	$
7. **ANNUAL PERCENTAGE RATE**	33.06 %
8. Total Of Payments (Total Amount of Note) (Total of 5 & 6)	$ 2160.00

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☐ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION

☒ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

1 gold design fabric divan, 1 gold design fabric chair, 1 mahogany finish table, 4 chairs, 1 dbl bed, 3 chests, 3 dressers, 2 dbl beds, 1 Colspot refrigartr, 1 RCA console color tv, 1 GE 1 ton load washer, 1 upright Admiral freezer, 1 Sears front load dryer.

☐ (c) Other (describe) In the event of foreclosure or seizure, the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ ______

Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 64.80 ☒ Level Term ☐ Decreasing Term Joint Credit Life Insurance $ ______ Credit Disability Insurance $ 92.88

I desire Credit Life and Disability Insurance	I desire Credit Life Insurance	I DO NOT want Credit Life or Disability Insurance
	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)
11-16-77 (Date) (Borrower's Signature)	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)

Borrower hereby acknowledges receipt of a completed copy of this NOTE and DISCLOSURE STATEMENT and agrees to all of the terms hereof.

Witnesses as to signature(s) of all borrowers.

Borrower(s)

NE VARIETUR

Identification with an act of Chattel Mortgage acknowledged before me this 16th day of November, 19 77

STATE OF LOUISIANA

PARISH OF Calcasieu

Notary Public

COPY

DISCLOSURE STATEMENT AND PROMISSORY NOTE – NEGOTIABLE PAPER

LENDER-PAYEE
COMPANY NAME , Finance Service of Lake Charles, Inc.
ADDRESS , 502 East College
CITY & STATE , Lake Charles, La 70605

BORROWER(S) NAME AND ADDRESS — SPOUSE: Mildred

Michal J Scimemi
909 Michael Street
Lake Charles, La 70601

PARISH OF Calcasieu

ACCOUNT NO	DATE OF LOAN	FIRST PAYMENT DUE DATE	OTHERS DUE SAME DAY OF EACH MONTH	CONTRACTUAL MATURITY DATE
D852	11-16-77	12-15-77		5-15-79

PAYABLE IN	AMOUNT OF FIRST PAYMENT	AMOUNT OF OTHER PAYMENTS	DATE FINANCE CHARGE BEGINS TO ACCRUE
18 MONTHLY PAYMENTS	$ 180.00	$ 180.00	

1 Cash or Check(s) To Borrower(s)		$ 2331.11
2 Net Balance(s) – Prior Account(s)		$
3 Checks Disbursed For Borrower's Account		$ 2331.11
4 Other Disbursements		
Credit Life Insurance	$ 97.20	
Credit Disability Insurance	$ 139.32	
Property Insurance	$	
Filing Or Recording Fees	$	
REAL ESTATE ONLY: Notarial Fee	$	
Mortgage Fees	$	
Appraisal Fees	$	
Title Examination Or Title Insurance	$	
Total Other Disbursements		$ 240.52
5. Amount Financed (Principal Amount of Note) (Total Of 1, 2, 3 & 4)		$ 2567.63
6. **FINANCE CHARGE** (Total of A & B)		$ 672.37
A. Interest	$ 672.37	
B. Notarial Fee	$	
7. **ANNUAL PERCENTAGE RATE** 30.86 %		
8. Total Of Payments (Total Amount of Note) (Total of 5 & 6)		$ 3240.00

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for such deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☐ (a) Motor Vehicle(s)

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION

☒ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated

1 bed, 3 chests, 3 dressers, 2 beds, 1 Amana Gold refrigarator, 1 Sears Portable sewing machine, 1 Hoover Canister gray vacuum cleaner, 1 RCA 25" color tv, 1 Zenith color tv, 1 white Kenmore top load washing machine, 1 Chesttype white freezer, 1 Gas Kenmore front load dryer.

☐ (c) Other (describe) In the event of foreclosure or seizure the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $__________
Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs

Single Credit Life Insurance $ 97.20 (☒ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $__________ Credit Disability Insurance $ 139.32

I desire Credit Life and Disability Insurance

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed.

A. Interest . . . . $ 672.37

B. Notarial Fee . . . . $ ______

7. ANNUAL PERCENTAGE RATE 30.86 %

8. Total Of Payments (Total Amount of Note) (Total of 5 & 6) . . . . . . $ 3240.00

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for such deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☐ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION

☒ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

1 bed, 3 chests, 3 dressers, 2 beds, 1 Amana Gold refrigarator, 1 Sears Portable sewing machine, 1 Hoover Canister gray vacuum cleaner, 1 RCA 25" color tv, 1 Zenith color tv, 1 white Kenmore top load washing machine, 1 Chesttype white freezer, 1 Gas Kenmore front load dryer.

☐ (c) Other (describe) In the event of foreclosure or seizure, the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ ______. Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 97.20 (☒ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $ ______ Credit Disability Insurance $ 139.32

I desire Credit Life and Disability Insurance	I desire Credit Life Insurance	I DO NOT want Credit Life or Disability Insurance
	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)
11-16-77 (Date) (Borrower's Signature)	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)

Borrower hereby acknowledges receipt of a completed copy of this NOTE and DISCLOSURE STATEMENT and agrees to all of the terms hereof.

Witnesses as to signature(s) of all borrowers:

Borrower(s):

NE VARIETUR

For identification with an act of Chattel Mortgage acknowledged before me this 16th day of November, 19 77

Notary Public

STATE OF LOUISIANA

PARISH OF Calcasieu

COPY

DISCLOSURE STATEMENT AND PROMISSORY NOTE – NEGOTIABLE PAPER

LENDER PAYEE
COMPANY NAME , Finance Service of Lake Charles, Inc.
ADDRESS , 502 East College
CITY STATE , Lake Cahrles, La 70605

BORROWER(S) NAME AND ADDRESS
William Leroy Jackson
113 S Mitchell Street
Sulphur, La 70663

SPOUSE Rebecca

PARISH OF Calcasieu

ACCOUNT NO.	DATE OF LOAN	FIRST PAYMENT DUE DATE	OTHERS DUE SAME DAY OF EACH MONTH	CONTRACTUAL MATURITY DATE
D849	11-16-77	12-15-77		5-15-79

PAYABLE IN	AMOUNT OF FIRST PAYMENT	AMOUNT OF OTHER PAYMENTS	DATE FINANCE CHARGE BEGINS TO ACCRUE
18 MONTHLY PAYMENTS	$ 120.00	$ 120.00	

1. Cash or Check(s) To Borrower(s) $ 1517.64
2. Net Balance(s) Prior Account(s) $
3. Checks Disbursed For Borrower's Account $ 1517.64
4. Other Disbursements
   - Credit Life Insurance $ 64.80
   - Credit Disability Insurance $ 92.88
   - Property Insurance $
   - Filing Or Recording Fees $ 10.00
   - REAL ESTATE ONLY: Notarial Fee $
   - Mortgage Fees $
   - Appraisal Fees $
   - Title Examination Or Title Insurance $

   Total Other Disbursements $ 167.68
5. Amount Financed (Principal Amount of Note) (Total Of 1, 2, 3 & 4) $ 1685.32
6. **FINANCE CHARGE** (Total of A & B) $ 474.68
   - A. Interest $ 474.68
   - B. Notarial Fee $
7. **ANNUAL PERCENTAGE RATE** 33.04 %
8. Total Of Payments (Total Amount of Note) (Total of 5 & 6) $ 2160.00

XX ☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed.

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00 if more than one-half of the term of the loan contract has elapsed. a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

XX ☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

XX ☒ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION
~~Ford~~	~~1970~~	~~F10ACC97826~~		~~F100 PU~~		

XXX ☒ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated

1977 Highlander Boat Trailer S# 716882
1977 Mercury Motor 20 h.p.
1977 Yazoo 14' Aluminum Bass Boat S# ALD06871M77G

XX ☒ (c) Other (describe) In the event of foreclosure or seizure, the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $________. No credit insurance is to be provided unless the Borrower Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs.

Single Credit Life Insurance $ 64.80 (XXX ☐ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $________ Credit Disability Insurance $ 92.88

I desire Credit Life and Disability Insurance
I desire Credit Life Insurance
I DO NOT want Credit Life or Disability Insurance

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

6. Interest $ [illegible]

8. Notarial Fee .... $________

7 **ANNUAL PERCENTAGE RATE** 33.04 %

8 Total Of Payments (Total Amount of Note) (Total of 5 & 6) $2160.00

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th of a month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☒ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION
Ford	1970	F10ACG97826		F100 PU		

☒ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

1977 Highlander Boat Trailer S# 716882
1977 Mercury Motor 20 h.p.
1977 Yazoo 14' Aluminum Bass Boat S# ALD06871M77G

☒ (c) Other (describe) In the event of foreclosure or seizure, the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following:

____

____

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, and it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $________
Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 64.80 Joint Credit Life Insurance $________ Credit Disability Insurance $ 92.88
(☒ Level Term ☐ Decreasing Term)

I desire Credit Life and Disability Insurance William Leroy Jackson	I desire Credit Life Insurance ______ (Date) ______ (Borrower's Signature)	I DO NOT want Credit Life or Disability Insurance ______ (Date) ______ (Borrower's Signature)
11-16-77 (Date) ______ (Borrower's Signature)	______ (Date) ______ (Borrower's Signature)	______ (Date) ______ (Borrower's Signature)

Borrower hereby acknowledges receipt of a completed copy of this NOTE and DISCLOSURE STATEMENT and agrees to all of the terms hereof.

Witnesses as to signature(s) of all Borrowers:	Borrower(s):
Don Sima	William Leroy Jackson
Peggy Altozin	Rebecca Jean Jackson

NE VARIETUR

For identification with an act of Chattel Mortgage acknowledged before me this 16th day of November, 1977

__________________ Notary Public

STATE OF LOUISIANA
PARISH OF Calcasieu

COPY

DISCLOSURE STATEMENT AND PROMISSORY NOTE – NEGOTIABLE PAPER

LENDER PAYEE
COMPANY NAME . Finance Service of Lake Charles, Inc.
ADDRESS . 502 East College
CITY & STATE . Lake Charles, LA 70605

BORROWER(S) NAME AND ADDRESS SPOUSE

Iland Fontenot
P.O. Drawer D-E
Forest Drive
Oakdale, LA 71463 PARISH OF Allen

ACCOUNT NO	DATE OF LOAN	FIRST PAYMENT DUE DATE	OTHERS DUE SAME DAY OF EACH MONTH	CONTRACTUAL MATURITY DATE
D846	11-16-77	12-15-77		5-15-79

PAYABLE IN	AMOUNT OF FIRST PAYMENT	AMOUNT OF OTHER PAYMENTS	DATE FINANCE CHARGE BEGINS TO ACCRUE
18 MONTHLY PAYMENTS	$ 85.00	$ -0-	

1. Cash or Check(s) To Borrower(s)		$ 1060.76
2. Net Balance(s) - Prior Accounts(s)		$
3. Checks Disbursed For Borrower's Account		$ 1060.76
4. Other Disbursements		
Credit Life Insurance	$ 45.90	
Credit Disability Insurance	$ 65.79	
Property Insurance	$	
Filing Or Recording Fees	$ 7.00	
REAL ESTATE ONLY: Notarial Fee	$	
REAL ESTATE ONLY: Mortgage Fees	$	
REAL ESTATE ONLY: Appraisal Fees	$	
REAL ESTATE ONLY: Title Examination Or Title Insurance	$	
Total Other Disbursements		$118.69
5. Amount Financed (Principal Amount of Note) (Total Of 1, 2, 3 & 4)		$1179.45
6. **FINANCE CHARGE** (Total of A & B)		$ 350.55
A. Interest	$350.55	
B. Notarial Fee	$	
7. **ANNUAL PERCENTAGE RATE**		34.75 %
8. Total Of Payments (Total Amount of Note) (Total of 5 & 6)		$1530.00

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. DEFERRAL CHARGE: In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for such deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☐ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION
~~Ford~~	~~1975~~	~~5T10Y170824~~		~~Pinto 2 Dr~~	~~White~~	~~Mil: 41176 Lic: 21H861~~

☐ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

☐ (c) Other (describe) In the event of foreclosure or seizure the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following:

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

The loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ __________

Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 45.90 (☒ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $ __________ . Credit Disability Insurance $ 65.79

I desire Credit Life and Disability Insurance	I desire Credit Life Insurance	I DO NOT want Credit Life or Disability Insurance

☒ The Loan Finance Charge is Precomputed ☐ The Loan Finance Charge is not Precomputed

A. Interest . . . . $ 350.55
B. Notarial Fee . . . . $ ______
7. **ANNUAL PERCENTAGE RATE** 34.75 %
8. Total Of Payments (Total Amount of Note) (Total of 5 & 6) . . . . . . $ 1530.00

FINANCE CHARGE: If the loan FINANCE CHARGE on this loan is not precomputed, it will be computed on outstanding unpaid principal balances on the basis that installments shall have been paid according to contract. Delinquency will increase the loan FINANCE CHARGE as the contract rate is computed on actual unpaid balances of amount financed for the actual time outstanding.

REBATE FOR PREPAYMENT: If the loan FINANCE CHARGE is precomputed, and this loan is prepaid before the final installment date, the borrower shall receive a rebate of a portion of the FINANCE CHARGE pursuant to the Rule of 78's after deducting from such FINANCE CHARGE a prepayment charge of not more than $25.00. If more than one-half of the term of the loan contract has elapsed, a rebate will be computed without deducting a prepayment charge. No rebate less than $1.00 is required.

DEFAULT CHARGE: If the loan FINANCE CHARGE is precomputed, and in the event any installment shall not be paid in full within 10 days after it becomes due, borrower agrees to pay an amount not exceeding the greater of (A) 5% of the unpaid amount of the installment but not exceeding $5.00, or (B) the deferral charge that would be permitted to defer the unpaid amount of the installment for the period of the deferral. Such charge is computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral. **DEFERRAL CHARGE:** In the event that an installment is not paid within 10 days after its due date, bearer or payee may unilaterally grant a deferral and make and collect a charge for such deferral computed by applying the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law to the amount deferred for the period of the deferral and calculated without regard to the differences in the length of months but proportionately for a part of a month, counting each day as 1/30th month. Such deferral charge may be collected at the time it is assessed or at any time thereafter.

ACCELERATION: Default in the payment of any one installment, shall, at the option of the holder hereof and without notice or demand, render the entire unpaid balance, at once due and payable. In the event of default, borrower will be required to pay all costs of collection incurred by Lender, as may be allowed by law, including attorney's fees, which fees shall not exceed 25% of the interest and principal due.

SECURITY

☐ This Loan is Unsecured.

☒ This loan is secured by a Chattel Mortgage of even date covering the following described household goods and other personal property to secure this and any future loan.

☒ (a) Motor Vehicle(s):

MAKE	MODEL YEAR	SERIAL NO.	H.P.	BODY STYLE	COLOR	OTHER IDENTIFICATION
Ford	1975	5T10Y170824		Pinto 2 Dr	White	Mil: 41176 Lic: 21H841

☐ (b) All of the household goods and appliances of every kind, now located in or about the borrower's premises at their address above stated.

☐ (c) Other (describe) **In the event of foreclosure or seizure the parties hereby designate the Mortgagee or its Agent as the keeper of the property or the Mortgagee may name the keeper at the time the seizure is effective.**

☐ This Loan is Secured by a mortgage on real estate used as the borrower's principal residence at their address above stated, or more particularly described in the following:

____

____

The Borrower binds himself not to sell, transfer, or encumber the mortgaged property to the prejudice of the Chattel Mortgage without Lender's consent and in the event of default the Borrower confesses judgment on the unpaid balance of this loan and consents that Lender may proceed to foreclosure of the chattels mortgaged under executory process or other legal process, consenting to sale of said chattels without appraisement but pursuant to the legal process provided by the laws of the State of Louisiana.

FOR VALUE RECEIVED, the undersigned (whether one or more) jointly, severally and in solido, promise to pay to the order of bearer or payee stated above the total Amount of this Note (Total of Payments) shown above, in equal consecutive monthly installments as shown above, until the full Amount of the Note shall be paid. If this consumer loan is precomputed it shall bear a loan Finance Charge after maturity not in excess of the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law until one year after the Contractual Maturity Date stated above and thereafter at the rate of 8% per annum until paid. The first installment shall be due and payable on the first payment date shown above, and the following installments shall be due on the same date of each month thereafter, together with a final installment covering any unpaid balance, which final installment is due and payable on the contractual maturity date shown above, unless otherwise extended or deferred pursuant to the Louisiana Consumer Credit Law.

If the loan Finance Charge on this consumer loan is not precomputed, the amount of note is the Principal Amount of Note (Amount Financed) stated above, it shall bear a loan Finance Charge at the Annual Percentage Rate as authorized by the Louisiana Consumer Credit Law from date until paid and every payment made hereon shall be applied to charges to date of actual payment and remainder to principal. If the loan Finance Charge on this consumer loan is precomputed, the Amount of Note is the total Amount of Note (Total of Payments) stated above, and all payments made hereon (subject to the default and the deferment charges herein described) may be applied to said total Amount of Note (Total of Payments).

Extension of the time of payment of all or any part of the amount owing hereon at any time or times shall not affect the liability of any party hereto or surety or guarantor hereof. Sureties, guarantors, and parties hereto severally waive demand and presentment for payment, notice of non-payment, notice of protest of this Note and further waive all rights of exemption of every kind under the laws of this or any other state. The makers, grantors, endorsers, and sureties of this note specifically contract that the Louisiana Consumer Credit Law shall govern the terms of this contract.

The unpaid balance of this Note, or any part thereof, may, at the option of the undersigned be paid at any time.

INSURANCE AGREEMENT

Property Insurance may be required by Lender. Borrower may choose the person through whom the insurance is to be obtained. If such insurance is to be obtained through Lender, the cost for the term of the credit will be $ ______. Credit Insurance is not required by Lender nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Borrower signs the appropriate authorization below. Group Credit insurance is available for the term of the credit at the following costs:

Single Credit Life Insurance $ 45.90 (☒ Level Term ☐ Decreasing Term) Joint Credit Life Insurance $ ______ Credit Disability Insurance $ 65.79

I desire Credit Life and Disability Insurance	I desire Credit Life Insurance	I DO NOT want Credit Life or Disability Insurance
	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)
11-16-77 Lard Fontenot (Date) (Borrower's Signature)	(Date) (Borrower's Signature)	(Date) (Borrower's Signature)

Borrower hereby acknowledges receipt of a completed copy of this NOTE and DISCLOSURE STATEMENT and agrees to all of the terms hereof.

Witnesses as to signature(s) of all borrowers: Dan Simon

Borrower(s): Lard Fontenot

NE VARIETUR

For identification with an act of Chattel Mortgage acknowledged before me this 16th day of November, 1977

Notary Public

STATE OF LOUISIANA
PARISH OF Allen

COPY

The CHAIRMAN. Now, back on the subject of your loan, Mr. Barr, did you pay off the entire balance of $2,160 including the finance charge?

Mr. BARR. No, sir, I did not. I was working for T. L. James at the time, and I worked there 6 to 7 months, and while I was working, I paid the payments.

The CHAIRMAN. You made your regular payments?

Mr. BARR. Yes, sir, and I was laid off and I didn't go back to work for quite a while, and so I called Mr. Carlock and I told him that he would have to make the payments because I wasn't working and there was no way I could pay it.

The CHAIRMAN. Did Mr. Carlock actually assume the payments on the balance of your loan?

Mr. BARR. Did he do what?

The CHAIRMAN. Did he actually assume the payments and make them thereafter?

Mr. BARR. Well, no, sir, he didn't. He didn't ask me to do it. I just told him that—I didn't give him a chance to ask me. I just told him he was going to have to make them because I couldn't.

The CHAIRMAN. Did he make them then?

Mr. BARR. Yes, sir.

The CHAIRMAN. According to a February 17, 1984, letter to my staff from Mr. Percy Adams, president of Finance Services of Lake Charles, Inc., Mr. Carlock made payments on yours and other loans as well. I will enter this as Barr exhibit No. 21, without objection.

[Barr exhibit No. 21 follows:]

BARR Exhibit No. 21

FINANCE SERVICE
OF LAKE CHARLES, INC.
504 EAST COLLEGE STREET
LAKE CHARLES, LOUISIANA 70605
478-2023

February 17, 1984

Mr. Dave Rawlings
Senate Committee on Labor
and Human Resources
Washington, D. C. 20510

Dear Mr. Rawlings:

As per our telephone conversation of February 15th, 1984 I am enclosing the following documents that you requested.

1. Photo copies of 10 disclosure statements of loans made to members of Local 406
2. Photo copies of the 10 checks issued to these 10 members of local 406.

Also, as per your request, when the monthly payments on the accounts listed below were due, my office would call Mr. Willard Carlock Sr. and advise hime of such. He would either send the money for the payments by his daughter in law, Mrs. Willard (Jane) Carlock Jr., or bring the money in himself. Those accounts were D-852 Mihael Scimemi, D-854 Vernon Causey, and D-855 Columbus Laird Jr.

On some occasions, either he or his daughter in law also brought the payments on the following two (2) accounts. They were D-848 Dennis Gene Barr and D-859 Jimmy J. Cooper.

If this office can be of further assistance to you, feel free to contact me.

Sincerely:

Percy J Adams

Percy J. Adams
President

CC: File

The **Chairman**. The letter states:

> When the monthly payments on the accounts listed below were due, my office would call Mr. Willard Carlock, Senior, and advise him of such. He would either send the money for the payments by his daughter-in-law, Mrs. Willard [Jane] Carlock, Junior, or bring the money in himself.
>
> Those accounts were D-852, Michael Scimemi; D-854, Vernon Causey; and D-855, Columbus Laird, Jr. On some occasions either he or his daughter-in-law also brought the payments on the following two accounts: They were D-848, Dennis Gene Barr, and D-859, Jimmy J. Cooper.

Now, were these other individuals laid off, or did they give Mr. Carlock the money to make their loan payments?

Mr. **Barr**. Senator, I really don't know what they did.

The **Chairman**. You don't know what happened here?

Mr. **Barr**. No.

The **Chairman**. After your original lump-sum payment to Mr. Carlock, were you ever asked to make subsequent payments to the defense fund?

Mr. **Barr**. Yes, sir. I was working at—after I was laid off from T. L. James, I was off work for quite a while, and then finally I was sent out to Calcasieu Refinery for a tank company. Mike Scimemi was working on that job at that time. He wasn't working for the tank company; he was working for another contractor. But he approached Tony Tortomase and myself and said that Mr. Carlock would be out there later on that day, and he needed some more money for his attorneys' fees or——

The **Chairman**. Defense fund.

Mr. **Barr** [continuing]. Defense fund, yes, sir.

So Mr. Tortomase and I talked it over, and we each donated $100 apiece at the time.

The **Chairman**. I see. Were you asked to contribute on any other job sites, other than the one you have already mentioned?

Mr. **Barr**. Yes, sir. I was working at Gulfstates Utility, and I was working at the Gulfstates Utility site, and I was working for Spencer and White, and I was asked two different times to contribute. One time I contributed $25; the next time, $50.

The **Chairman**. So they kept hitting you for these payments?

Mr. **Barr**. Yes, sir.

The **Chairman**. Have you ever testified regarding these matters to a Federal or State grand jury?

Mr. **Barr**. No, sir, I have not.

The **Chairman**. Have you ever reported these incidents to the FBI?

Mr. **Barr**. No, sir.

The **Chairman**. Would you cooperate with the FBI if they reopened this investigation?

Mr. **Barr**. Most definitely.

The **Chairman**. All right.

I want to thank you, Mr. Barr.

We had scheduled the testimony of a fourth witness on this panel, Mr. Alton D. Janise of Lake Charles. Unfortunately, he has been hospitalized, and his doctor has recommended or advised him not to attend. However, Mr. Janise has supplied the committee a sworn affidavit which I will read as follows, and we will place in the record without objection at this point. Let me just read this:

Before me, the undersigned authority, and in the presence of the undersigned competent witnesses, personally came and appeared Alton P. Janise, who, after being sworn, deposed and declared that affiant was working out of IUOE, Local 406, of which he is a member, early in 1979 for Wiess Construction Co. at Olin in Lake Charles, La., as a steward.

Affiant and several other operators were approached by Ronnie Leger and told we were to contribute to a, quote, fund, unquote, for Willard Carlock, Senior. This money was to pay interest on the personal bonds that Carlock, Senior, had had to put up during the Jupiter indictments. The bond, we were told, had been furnished by Monroe Braddum.

Affiant recalls that all operators on the day shift except one contributed $50 each, mostly cash. Affiant gave a check dated January 15, 1979, a copy of which is attached, that was not cashed for some 3 weeks by Willard Carlock, Senior.

Some of the men that gave cash were Andy, Slim, and Ernest, last names unknown, and Robert Vincent.

On January 21, 1979, Willard Carlock, Senior, Willard Carlock, Junior, and Mike Greer arrived at the gate, and affiant delivered to Willard Carlock, Senior, $800 approximately in cash plus the check in the amount of $50.

[Janise exhibit No. 1 follows:]

Janise Exhibit No. 1

STATE OF LOUISIANA

PARISH OF CALCASIEU

Before Me, the undersigned authority, and in the presence of the undersigned competent witnesses, personally came and appeared:

ALTON P. JANISE

who, after being duly sworn, deposed and declared that:

Affiant was working out of IUOE, Local 406 (of which he is a member) early in 1979, for Wiese Construction Company at Olin in Lake Charles, Louisiana, as a steward. Affiant and several other operators were approached by Ronnie Leger and told that we were to contribute to a "fund" for Willard Carlock, Sr. This money was to pay interest on the personal bonds that Carlock, Sr. had had to put up during the Jupiter indictments. The bond, we were told, had been furnished by Monroe Bradham. Affiant recalls that all operators on the day shift, except one, contributed $50.00 each, mostly cash. Affiant gave a check dated January 15, 1979 (a copy of which is attached) that was not cashed for some three weeks by Willard Carlock, Sr. Some of the men that gave cash were Andy, Slim, Earnest, (last names unknown), and Robert Vincent. On January 21, 1979, Willard Carlock, Sr., Willard CArlock, Jr. and Mike Greer arrived at the gate and affiant delivered to Willard Carlock, Sr. $800.00 (approximately) in cash plus the check in the amount of $50.00.

WITNESSES:

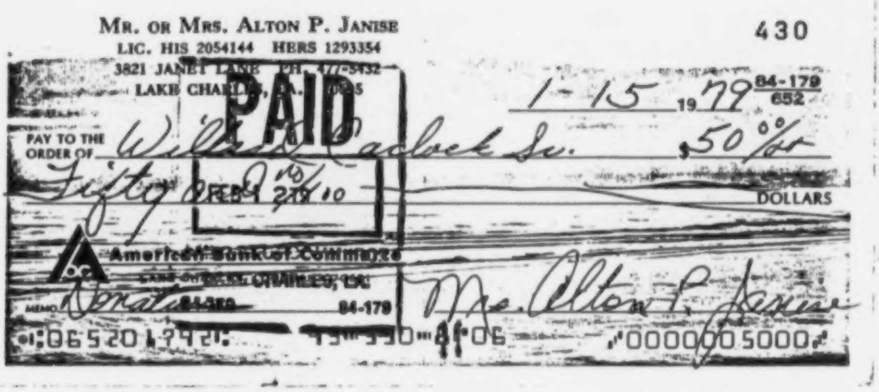
Charlotte Granger

Alton P. Janise
ALTON P. JANISE

Linda P. Fruge

SWORN TO AND SUBSCRIBED Before Me, Notary Public, and in the presence of subscribing witnesses, on this 11th day of January, 1984, at Lake Charles, Louisiana.

Irene L. Hebert
NOTARY PUBLIC



MR. OR MRS. ALTON P. JANISE
LIC. HIS 2054144 HERS 1293354
3821 JANET LANE PH. 477-5432
LAKE CHARLES, LA. [illegible]5

430

1-15 19 79

84-179
652

PAID

PAY TO THE ORDER OF Wil[illegible] [illegible]adock Sr. $ 50 00/xx

Fifty & no/ DOLLARS

FEB [illegible] 10

American Bank of Commerce
LAKE CHARLES, LA.

MEMO Donation

84-179

Mrs. Alton P. Janise

⑆065201742⑆ 13"330"8 06 ⑈0000005000⑈

The **Chairman**. Now, at this point I would also like to place in the record affidavits from Messrs. Jess W. Rowsey and Lee Savoie. Mr. Rowsey states that he paid at least $140 into the defense fund and that he witnessed the statewide business agent of local 406, Mr. Peter Babin III, making a statement to the local in April or May 1979 that the defense fund has been paid in full and that there was no need for further collections.

Despite that statement, now, by Mr. Babin, Mr. Rowsey states that attempts to collect money for the fund were still being made as late as 1980.

So we will put into the record at this point the Rowsey affidavit.

[The affidavit of Mr. Rowsey follows:]

STATE OF LOUISIANA
PARISH OF CALCASIEU

BEFORE ME, the undersigned authority, personally came and appeared:
JESS W. ROWSEY
who, after being duly sworn, deposed and declared as follows:

That he went to work as an operator the first of April, 1979 at the LNG plant at South Lake Charles, La. The contractor was Pullman-Kellogg. The first week there he gave $20 to the Defense Fund. Janet (last name unknown, she was the secretary) was doing the collecting. The fourth week he gave $20 more to the fund. The last week in May or the first week in June, 1979, at work time on the LNG job, Nathan Courville got on top of a table and said he wanted $100 from each member to pay Willard Carlock's Lawyer which he said was $25,000 and that we would have two weeks to pay. After he said that Cotton Rollins spoke up and asked Nathan was this for the Defense Fund and Nathan said no, it was for Carlock's lawyer and the meeting ended.

Affiant met Nathan Courville at the door after the meeting ended and gave him a $100 bill and went to work. Affiant did not discuss this matter to no one except Albert Fontenot which was a friend of his and worked in the same area. Albert Fontenot said he would pay his $100 in two or three days. Whether he did or not, affiant does not know. The next week there was a special meeting at Lafayette, La. The master mechanic, who was Clyde Sheran and the stewart, who was Nathan Courville and affiant went to that meeting in affiant's new 1979 Ford car. At that meeting Peter Babin, III announced the Defense Fund debt had been paid in full and there was no more need for funds.

Affiant remained as a cherry picker operator until January, 1980 and was promoted to assistant master mechanic. His job was grade foreman. Affiant had ten operators, more or less, working under him. He had an operator on a front-end loader who was Jake Carlock. Affiant needed to haul some sand to another location and went to get him to do the job. He was mad. Affiant said to him, what is wrong? and he said he was not going to pay that $25 a week any more. Affiant said I don't know what you are talking about. He said Oh,yes you do. Affiant said you will have to talk to the stewart about that and went on about his business. Another operator, Janice Maxie, got layed off in the summer of 1980. Affiant asked Janice Maxie how come you got layed off? and she replied I quit paying $25 a week to Houston Byrd. Affiant states that Ken Waring was his superintendent and rode with him performing his duties. Ken Waring's phone number is 436-9614, in Lake Charles, La. Affiant remained assistant master mechanic until February, 1981, got cut to grease foreman and got layed off May 15, 1981.

Affiant states that his income for 1982 was $1,625.04; his income for 1983 was $8,511.85.

August, 1981, worked for Ford, Bacon & Davis.

11-22-81 to 12-13-81, worked for Anco.

9-6-82 to 9-17-82, worked for P.C.C.

1½ days in December, 1982, worked for Nichols.

No more jobs until January, 1983.

4 days with J.A. Jones.

April 28, 1983, worked for J. F. Small three months.

No work since then.

There was no out of work list on the bulletin board.

Affiant states the following named persons attended the meeting on the job when Nathan Courville made the statement:

1. Paul Hensin - Oakdale, La.
2. Ted Savoie - Lake Charles, La. (Lee Savoie's son)
3. Albert Fontenot - Kinder, La.
4. Janet
5. Herman Sonnier - Basile, La.
6. Clyde Sheran - Master Mechanic - Lake Charles, La.
7. Nathan Courville - Stewart- Basile, La.
8. Jess W. Rowsey
9. Houston Byrd - Oakdale, La.
10. Randy Crooks - Oakdale, La.
11. Carl Baugh - Assistant Master Mechanic - Lake Charles, La.
12. Joe Lovett - Lake Charles, La.
13. Markus Richard - Apprentice - Lake Charles, La.
14. Pat Newman - Lake Charles, La.
15. David Silva - Oakdale, La.
16. Clay Graham - Assistant Master Mechanic - Oakdale, La.
17. Winston Carlock

Affiant states that he is willing to take a polygraph test concerning the facts sworn to in this statement.

Jess W Rowsey

JESS W. ROWSEY

SWORN TO AND SUBSCRIBED Before Me, Notary Public, this 23rd day of January, 1984, at Lake Charles, Louisiana.

Irene L. Hebert

NOTARY PUBLIC

The **Chairman**. Mr. Savoie states that Nathan Courville, a Local 406 steward, had told him he had to contribute $100 to the fund, even though he had not worked for 4 years, had been hurt, and could not afford to give money.

This affidavit does not specify whether or not Mr. Savoie actually paid the money, so I will direct the staff to obtain a supplemental affidavit from Mr. Savoie to cover that point.

[The affidavit of Mr. Savoie follows:]

STATE OF LOUISIANA

PARISH OF CALCASIEU

Before Me, the undersigned authority, and in the presence of the undersigned competent witnesses, personally came and appeared:

LEE SAVOIE

who, after being duly sworn, deposed and declared:

Affiant is a member of IUOE Local 406, having been initiated March 28, 1958. While affiant was working for Pullman-Kellogg at the LN&G plant in Lake Charles, Louisiana, he would go to the pipe shop at the front of the plant to work there. Affiant was approached one morning by Nathan Courville and a young lady. Courville told affiant he had to give $100 to which affiant replied that he did not have $100 to give because he had been out of work about 4 years, had been hurt, and could not afford to give money. Courville and the young lady laughed at affiant. When Courville left, affiant got mad and met Courville at the shop and told Courville that he had to borrow money to keep from losing his house. Affiant told Courville that if he would take up a collection to help him, affiant would give the $100 as requested. That same day or the next, (this was on or about June, 1979), affiant was at the office of Pullman-Kellogg to make a telephone call, when he heard Nathan Courville talking on the telephone to Willard Carlock, Sr.. Courville told Carlock that he should call every steward on every job and tell the stewards to tell every man on every job that they had to give $100 each.

WITNESSES:

Linda Fruge

Lee Savoie
LEE SAVOIE

Denise Horton

SWORN TO AND SUBSCRIBED Before Me, Notary Public, and in the presence of the subscribing witnesses, on this 12th day of January, 1984, at Lake Charles, Louisiana.

Irene L. Hebert
NOTARY PUBLIC

The CHAIRMAN. I want to thank the three of you for appearing. This isn't easy for you to do, and I just think you are doing your fellow workers a great service and, I think, fellow union members all over this country a great service, because, you know, we should be, and the law should provide—we should be providing and the law should be providing help and assistance to you people so you don't have to go through these kinds of things.

The more I get into these things, the more outraged I get. I just personally want to let you know how much I appreciate your testimony here today and how much it really means, I think, to everybody concerned. I just wanted to tell you how much I respect you for being here.

Mr. BARR. We thank you, Senator.

The CHAIRMAN. Well, thank you.

I have a chairmen's meeting that started 15 minutes ago. I have to be there. So what I am going to do—it is clear that we are not going to get through with our hearing this morning, so I would like to recess, and I would like you all to be back here at 1 o'clock. I may be just a little bit later than 1 o'clock, but we will start somewhere between 1 and 1:15 here in this room when we get back.

I would like to finish at least this portion of our hearing today, and then we will have to reschedule the last portion of our hearing probably at a date other than tomorrow, because I've got a Judiciary Committee conflict tomorrow, but we are going to follow this thing through, and we are going to try to resolve this for you.

So with that, we will recess until 1:00 o'clock, and I might be just a little bit later, so give me some leeway, and then we will continue this from there and we will start with our third panel at that time.

Thank you again for being here. We will recess until 1 o'clock.

[Whereupon, at 12:02 p.m., the committee recessed, to reconvene at 1 p.m., the same day.]

AFTERNOON SESSION

The CHAIRMAN. I will call the committee to order.

We will ask our last two witnesses to come to the witness table, Ann Blackwell and Truman Johnson. If they will come to the witness table, we will proceed.

We appreciate your indulgence. Will you both raise your hands?

Do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Ms. BLACKWELL. I do.

Mr. JOHNSON. I do.

The CHAIRMAN. Thank you so much.

Ms. Blackwell, could you begin by describing your company and your position in that company?

STATEMENT OF ANN MALINOWSKY BLACKWELL

Ms. BLACKWELL. Yes, sir. I am president and owner of MACO of Louisiana. MACO is a civil and underground contractor. We also do construction management and in the last 5 years we have performed about $23 million worth of construction management for Mar-Len of Louisiana. They are a very large general contractor that specializes in piping and mechanical, all types of construction. I specialize in Federal projects.

The CHAIRMAN. So you are president of MACO of Louisiana and you are the construction manager for Mar-Len of Louisiana, Inc.?

Ms. BLACKWELL. Yes, sir.

The CHAIRMAN. Now, as I understand it, you served as construction manager on various construction projects since 1978, is that right?

Ms. BLACKWELL. Yes, sir.

The CHAIRMAN. And Mar-Len is a general contractor and does virtually all types, a variety of construction work?

Ms. BLACKWELL. That is correct.

The CHAIRMAN. That includes industrial and mechanical?

Ms. BLACKWELL. Yes, sir.

The CHAIRMAN. MACO's primary field of expertise as far as I have been able to gather is civil and underground construction.

Ms. BLACKWELL. That is exactly right.

The CHAIRMAN. And, of course, construction management. Is that correct?

Ms. BLACKWELL. Yes.

The CHAIRMAN. Has Mar-Len ever employed equipment operators from Local 406, Lake Charles District, of the Operating Engineers Union?

Ms. BLACKWELL. Yes, sir. My primary experience with the employ of these operators was on two projects. The first project was at West Hackberry, La. It was a Department of Energy project, approximately a $5 million fire-protection installation.

Since it was underground work, I personally supervised that project.

The CHAIRMAN. That was in West Hackberry?

Ms. BLACKWELL. Yes, sir. That is on the strategic petroleum reserve program, the oil storage facility at Hackberry, which is about 20 miles south of Sulphur.

The other project was a concurrent project. It was Maplewood Drive paving in Sulphur, La.

The CHAIRMAN. Now, as I understand it, you also employed operators on your Maplewood Drive project in Sulphur.

Ms. BLACKWELL. Yes, sir, that is correct.

The CHAIRMAN. But your construction company was not the construction manager for the Maplewood project. Is that true?

Ms. BLACKWELL. That is right.

The CHAIRMAN. But you are familiar with the circumstances there?

Ms. BLACKWELL. Yes, sir.

The CHAIRMAN. What percentage of your overall work force did the operating engineers constitute at West Hackberry?

Ms. BLACKWELL. Well, on an average day, we had about 45 total work force, and between 10 and 15 were operators. I would say about a quarter, 25 percent.

The CHAIRMAN. Were comprised of operating engineers?

Ms. BLACKWELL. Yes, sir, out of 406.

The CHAIRMAN. Under your Department of Energy contract, what were the start and completion dates for the West Hackberry project?

Ms. Blackwell. April 27, 1981, was the start date. The modified completion date was January 30, 1982.

The Chairman. I see. When was the project actually completed?

Ms. Blackwell. July 17, 1982.

The Chairman. So almost 6 months later?

Ms. Blackwell. Yes, sir.

The Chairman. What were some of the causes of the delay?

Ms. Blackwell. One of the causes was continual equipment failures, part of an apparent scheme by the operating engineers to extort me for various reasons.

There were work slowdowns; there were faked illnesses; there were slow walking—you know, where the operators come to work but they don't actually produce—there were even bomb threats; there were just virtually everything. At one point they all left the job because they said they got sick from the drinking water, but I had fired the master mechanic's son.

The Chairman. So they used that as an excuse to leave the job?

Ms. Blackwell. Yes, any excuse.

The Chairman. You are saying that you think the operating engineers intentionally sabotaged your company's equipment?

Ms. Blackwell. Definitely. I have an affidavit here from Tracy Willard. He was a Local 406 operator who served as my equipment superintendent for this project.

The Chairman. Well, let me enter that into the record as Blackwell exhibit No. 1, without objection.

[Blackwell exhibit No. 1 follows:]

Blackwell Exhibit No. 1

I, Tracy Willard, was employed by Mar-Len as Equipment Supervisor for the WH-27 Project. During the course of my employ from January 27, 1982 to May 14, 1982, I witnessed the following:

[redacted]

T[redacted]

Mar-len did not need those master mechanic's trucks. They could have furnished company trucks, but Scimemi told Ann to either pay or he wasn't going to work and if he didn't work nobody worked.

Howard Taliaferro
WITNESS

Tracy Willard
TRACY WILLARD

WITNESS

WITNESS

STATE OF LOUISIANA
PARISH OF CALCASIEU

BEFORE ME, the undersigned Notary Public, came and appeared HOWARD TALIAFERRO, who declared that he was one of the subscribing witnesses to the signature of Tracy Willard, that the said Tracy Willard signed the above statement in his presence on the day of February, 1984, of his own free act and deed.

Howard Taliaferro
HOWARD TALIAFERRO

SWORN TO AND SUBSCRIBED Before Me, Notary, this 6th day of February, 1984.

Irene L. Hebert
NOTARY PUBLIC

Ms. BLACKWELL. I would like to quote from this affidavit if I may, briefly.

As he says, operators were deliberately tearing up Mar-Len's equipment. The 406 master mechanic, Mike Scimemi, was directing this. They were burning up starters, getting sick and going home, sending oilers that were not needed. They forced us to pay $25 a day plus gas for Scimemi's truck and another $25 a day for an assistant master mechanic's truck.

The CHAIRMAN. And that is Tracy Willard's affidavit?

Ms. BLACKWELL. Yes, sir. I have another affidavit from Dave Hambrick, Richard David Hambrick. He was a surveyor. He headed my field engineering crew. They did all the layouts of the line.

The CHAIRMAN. We will enter that as Blackwell exhibit No. 2 at this point, then.

[Blackwell exhibit No. 2 follows:]

Blackwell Exhibit No. ~~3~~2

I, Richard David Hambrick, was party chief of the survey for Mar-Len of Louisiana, Inc. at West Hackberry - from May, 1981 to February, 1982. My duties kept me in the field constantly staking locations. In August or September, 1981, we were working (my crew) on the North end of the job and noticed no equipment running. I went to see what was wrong. I found someone (I think it was Kenneth Hebert) who told me the operators had all "gotten sick" and gone home. They were supposedly sick from the "drinking water", but that made no sense, since we all drank the same water on the job.

I later heard that the reason why the operators "got sick" was because Scimemi's Son, Michael Wayne was fired for speeding on a cherry picker.

I saw Michael Wayne speeding on a cherry picker many times, so I had no trouble believing there was good reason to fire him.

However, the next day, the operator were back at work - and so was Michael Wayne.

When the big instrumentation cable was cut, I was concerned because it was my crew that staked out the location. We had very carefully staked out - this area and the cable location was very obviously marked with two yellow poles on each side.

Scimemi was operating the machine when the cable was cut, and I never could understand why he was operating the machine because operators were right there.

Many cables were not located on the plans as they should have been, but many times operators cut cables (like in this case) that were very plainly located. Some of them that were actually exposed were cut.

Scimemi tried to tell me how to do my job. He seemed to be trying to run the job. But I never saw or knew of him to cooperate with the other crews and he never made any effort to get the operators to do the things I knew needed to be done. It was a constant hassel with Scimemi to get him to move an operator and machine to an area where they were needed.

WITNESS

RICHARD DAVID HAMBRICK

Joan Hoffpauir
WITNESS

Ann Blackwell
WITNESS

STATE OF LOUISIANA
PARISH OF CALCASIEU

BEFORE ME, the undersigned Notary Public, came and appeared ANN M. BLACKWELL, who declared that she was one of the subscribing witnesses to the signature of Richard David Hambrick, that the said Richard David Hambrick signed the above statement in her presence on the day of February, 1984, of his own free act and deed.

Ann M. Blackwell
ANN M. BLACKWELL

SWORN TO AND SUBSCRIBED Before Me, Notary, this 20d day of February, 1984.

Irene L. Hebert
NOTARY PUBLIC

The CHAIRMAN. Do you want to read from that?

Ms. BLACKWELL. Please.

The CHAIRMAN. All right.

Ms. BLACKWELL. He discusses an incident in November of 1981 in which the main instrumentation cable that went around the entire site was cut, apparently intentionally.

He states:

> When the big instrumentation cable was cut, I was concerned because it was my crew that staked out the location. We had very carefully staked out this area. The cable location was very obviously marked with two yellow poles on each side.
>
> Scimemi was operating the machine when the cable was cut, and I never could understand why he was operating the machine, because operators were right there. Many cables were not located on the plans as they should have been, but many times operators cut cables like this one that were very plainly located. Some of them that were actually exposed were cut.

The CHAIRMAN. How much did it cost your company to replace that cable?

Ms. BLACKWELL. This one cable cost my company—and I have the documented receipts—between $50,000 and $60,000. But at this point, I would like to introduce another affidavit from my project engineer, who also did my estimating at the time. He is Jeff Creel.

The CHAIRMAN. We will enter that as Blackwell exhibit No. 3 in the record at this point, without objection.

Ms. BLACKWELL. Yes, sir.

[Blackwell exhibit No. 3 follows:]

Blackwell Exhibit No. 4

I Jeff Creel, am employed by Mar-Len of Louisiana, Inc. as Project Engineer/Estimator. My employment began in April of 1981. Other than a few short visits by Mr. Bob Owens, I was the first Mar-Len Employee to arrive at the West Hackberry, Department of Energy, Strategic Petroleum Reserve Site to begin installation of the WH-27 Fire Protection System.

My first duties were to begin spot locating and layout of underground pipe locations. During this time of walking out the entire site to put up stakes for future reference,I found several previously installed stakes-not just flags like I was putting up-but actual "tac" points with off-sets and station numbers. This previous survey indicated to me that someone had obviously done what I was then doing; getting ready to go to work. I had heard rumors that Mar-Len almost didn't get the contract and the survey points I found definitely shows another contractor actually thought he had the Job.

During my first week on the site Bob Owens had a severe heart-attack. This was when Ann Malinowsky Blackwell came to the site and announced that she would now be Project Manager over the WH-27 Contract. Within a week mobilization of the project began at a stepped up pace. Mar-Len was now ready and able to proceed with anticipated progress of completing the contract ahead of schedule; however, during an early schedule meeting, we were ridiculed by John Small's demands as to how we would pick up our schedule. His basis for his demands was that we were 40% behind schedule (at this time, 40% calculated to about one week). This "attack" by John Small seemed very irrational and not in accordance to my ideas of job harmony.

Throughout the project, Mar-Len did indeed suffer from excessive equipment failures, with constant complaints from the operators that our equipment could not do the job properly: specifically, they said they needed a Cat 225 hoe.

I do remember the day in which we supposedly had 3 to 4 pieces of Mar-Len equipment broken down. However, when the rented Cat 225 did arrive from Tri-Coast, all our equipment began running, and at a faster pace than it had been.

This particular piece of equipment was a Caterpillar 225 Hydraulic Excavator (Trackhoe). From the beginning of the project Scimemi continually requested a Cat 225 to improve productivity. At the present time. Mar-Len of Louisiana, Inc. had a John Deere 690B and a Bantam Trackhoe each sufficient to do the excavating required to install the Hackberry Fireline. (A nominal ditch of 4 foot deep and 2 foot wide.) The Cat 225 was just one piece of equipment that Mar-Len rented from Tri-Coast. Attached is a list of actual rentals that we paid Tri-Coast for the WH-27 Project. (4th Page) All of this equipment, with the exception of the side boom did not need to be rented, because Mar-Len owns exact or equivalent machinery. We rented this equipment only to try and maintain job progress.

Throughout the entire job the attitude of the Master Mechanic seemed to be "Cross me and I will slow you job down or even shut it down". His attitude made it plain that Mar-Len was not going to be "allowed" to engage in normal routine practice such as layoffs and rehiring, and we were not. One incident of which an operator was fired by Ann because she had followed him speeding on a cherrypicker, created a walkout by the operators claiming they were sick from drinking out of the same water. The remained sick until the operator was rehired. Mike Scimemi (Master Mechanic) even refused to accept the layoff check for his operator. Normal procedure would have been for the operator to file for reinstatement not for the Master Mechanic to disrupt and stop the job.

Mike Scimemi, on several occasions talked to me about going to work for Tri-Coast, that I would make more money. I don't know why he kept bringing this up, except maybe to get me to leave Mar-Len, thus leaving the WH-27 Project. Each time he mentioned about me going to work for Tri-Coast, he would say Garland Davidson would be calling me, which one day he did ask me when I would be coming to work for him, and I told him I was happy at Mar-Len. He sounded disappointed that I refused him.

Mar-Len encountered a massive problem with underground cables being cut at West Hackberry Site. Approximately forty cables were cut and had to be repaired. According to Parsons-Gilbane's records some twenty of these cables had been located and hand exposed yet they were still cut by the backhoes. On November 3, 1981 three instrumentation cables were cut on the west side of well pad 110. [illegible] particular [illegible] "special run" cables which were designed and installed as one piece and as everyone on site knew no [illegible] were readily available or even government approved for use in repairing the lines. Mar-Len was faced with two (2) possibilities: repair the cables, if allowed by Department of Energy or replace entirely. If we had to [illegible] them approximately 16,000 Linear Feet of new cable would have to be factory run and installed. Estimated cost would have been $250,000.00. [illegible] at a cost of approximately $50,000.00.

In conclusion I will say that the WH-27 Project was one of constant concern toward the physical well-being of personnel and project construction integrity. All Mar-Len wanted was to do their job and do it right, but being between the John Small Administration at Parsons-Gilbane and the Scimemi - dominated operators was like being between the proverbial Rock & Hard place.

At the time the project was in progress all our thoughts and energies were directed toward trying to complete the project. We literally didn't have time to wonder why the pressure was being put on us from both Parsons-Gilbane and the operators. There were many incidents I saw or things I overheard back then that did not seem very significant at the time, but in retrospect were obvious signs that something was very wrong:

Tri-Coast, Inc., 406 officials were often seen together. I was at Tri-Coast office one afternoon helping Dave Dupont bid a job, and Carlock and Scimemi came by looking for Garland Davidson. At this time, Scimemi was an employee of Mar-Len.

I noticed Scimemi's truck at Tri-Coast office on several occasions after he would leave Hackberry in the afternoons.

During the construction of the North Insolubles Pond at West Hackberry, David Dupont would operate equipment throughout the day, instead of having the required number of operators to properly man the job. Mar-Len would never have been allowed to do such.

During the bid phase of Well Pad 114, I deliberately left a dummy bid partially concealed in my office. Carlock and Scimemi came in to use the phone, I left the office and shortly returned. The estimate had been handled and was now on top of my desk. Well Pad 114 was the only project we were successful in obtaining while bidding against Tri-Coast. I am sure that we got this job only because Tri-Coast had seen the dummy bid.

Tri-Coast constantly bid under Mar-Len. For example, South Insolubles Pond; Government Estimate was $95,000.00, we bid $102,000.00, Tri-Coast was awarded the Job at approximately $39,000.00. I cannot understand how they could bid so cheap, unless they were not paying prevailing wages (which were the same rate as Union wages) and as I previous stated their Superintendents were being allowed to operate equipment without Labor Repercussions.

A cherry picker once broke down, Scimemi said water had gotten into the starter. Donald Broussard (Pipefitter General Foreman) asked Scimemi "if he had check the chlorine content of the water". It had not rained in weeks yet we had water in a starter.

At one time during the Summer, 1981, we were contimplating the use of a different Sub Contractor for road boring. We found one man with the proper equipment, who was also considerably cheaper than we were paying. We invited him to the site, one Saturday, to talk to him. Scimemi noticed him and began saying that we would have problems if we used this "RAT" SubContractor. I asked the man and he said he was Union and he would do this job Union, but Scimemi had Carlock come to the site who further inferred we could not use anyone but CAFI as our Road Boring SubContractor.

During the bid phase of the South Insolubles Pond, Bob Owens called me at the site with his take off and prices for the bid. I compared them to my bid and then realized that I had our only set of Plans and Specs for the job, and they had never left my office. I concluded that Bob Owens had seen the job at Tri-Coast's office, since Tri-Coast was only other bidder. This was my first proof that Owens was more than just visiting with Tri-Coast, but actually bidding work from their office. Also one day he came to Hackberry and asked me who Tri-Coast was trying to hire off this project. I told him, me. He said "You need to learn to keep your mouth shut about those things." Ann entered the office, Bob Owens discontinued our conversation and never spoke to me again.

James J. Creel
JAMES J. CREEL

WITNESS

WITNESS

Joan Hoffpauir
WITNESS

STATE OF LOUISIANA
PARISH OF CALCASIEU

BEFORE ME, the undersigned Notary Public, came and appeared ANN M. BLACKWELL, who declared that she was one of the subscribing witnesses to the signature of James J. Creel, that the said James J. Creel signed signed the above statement in her presence on the   day of February, 1984, of his own free act and deed.

ANN M. BLACKWELL

SWORN TO AND SUBSCRIBED Before Me, Notary, this 6th day of February, 1984.

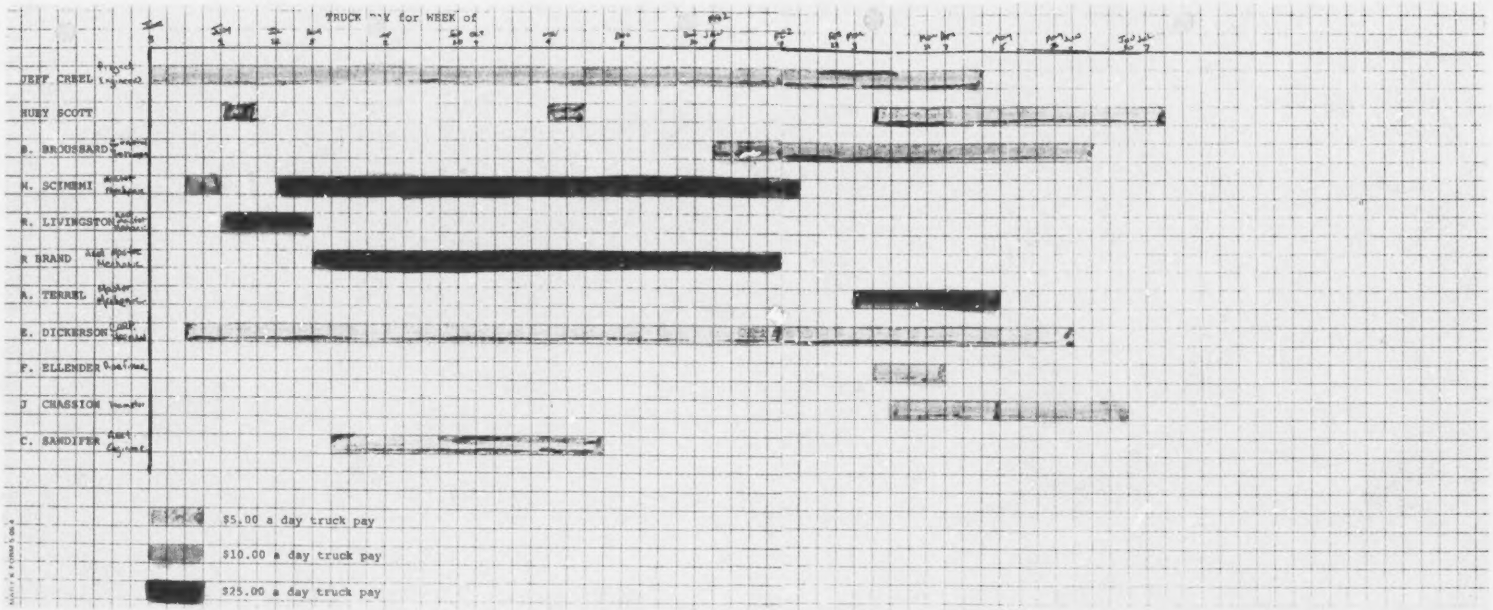
NOTARY PUBLIC

EQUIPMENT RENTED FROM TRI-COAST, INC.

WH-27 PROJECT SITE

	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	TOTAL
Cherry Picker #1	2,163.00	2,163.00		2,163.00	2,163.00	2,163.00	10,515.00
Cherry Picker #2				2,163.00	2,163.00		4,326.00
Mechanic & Truck		832.00					832.00
450 B Case Dozer	1,924.00						1,924.00
555 JD TrackLoader	2,684.00	2,678.00					5,362.00
Cat 225 Track Hoe		7,318.00	7,318.00	7,318.00	7,318.00		29,272.00
Side Boom (2)			11,566.00				11,566.00
					TOTAL EQUIPMENT		$64,097.00

James J. Creel


TRUCK ~~PAY~~ for WEEK of
JEFF CREEL Project Engineer
HUEY SCOTT
B. BROUSSARD
N. SCIMEMI
R. LIVINGSTON
R BRAND
A. TERREL
E. DICKERSON
F. ELLENDER
J CHASSION
C. SANDIFER Asst Engineer
$5.00 a day truck pay
$10.00 a day truck pay
$25.00 a day truck pay

Ms. **Blackwell**. He states, which I know first-hand to be true, that it was very fortunate we did not have to spend $250,000, because that was the first estimated cost of replacing this site cable.

The reason he gives is because it was a specially run cable which was designed and installed in one piece, for which no repair kits were available or even Government approved for use in repairing the lines. It was very fortunate that we were able to finally obtain a splice kit and got DOE approval, but it still cost us $50,000 to $60,000 for that one incident.

The **Chairman**. It makes you wonder how you could stay in business, with all these extra costs added.

Ms. **Blackwell**. Yes, sir. It wasn't easy.

The **Chairman**. Well, you stated that the operators intentially slowed down the job when you fired the master mechanic's son for misconduct. Would you elaborate on that statement?

Ms. **Blackwell**. Yes, sir. In the course of this job, I was to employ, without choice, five different members of the Scimemi family. One of them was Michael Wayne Scimemi. He was many times chastised it was—continuously and constantly—for safety violations.

On this particular day, I, myself, clocked him traveling on a cherry picker with a welding machine swinging——

The **Chairman**. Now, that is a machine with a box that——

Ms. **Blackwell**. Yes, sir. That is the big machine that lifts 15 to 20 tons.

The **Chairman**. All right.

Ms. **Blackwell**. This machine had a welding machine hanging from its boom. He was traveling 35 miles an hour, which is an outrageous speed for any piece of equipment. It is a very dangerous situation.

I had no choice left but to fire him. I fired him. Immediately, all the operators walked off the job. They said they were sick from the drinking water.

I have another affidavit here from one of the operators who happened to be home at lunch during that incident, Mr. Kenneth Hebert.

The **Chairman**. And that is also on the West Hackberry project?

Ms. **Blackwell**. Yes, sir.

The **Chairman**. We will enter that as Blackwell exhibit No. 4 in the record at this point, without objection.

[Blackwell exhibit No. 4 follows:]

Blackwell Exhibit No. ~~3~~4

I, Kenneth Hebert, am a member of IUOE, 406, Lake Charles. As such, I was referred as an operator to Mar-Len of Louisiana, Inc. to operate equipment on there job at West Hackberry from June, 1981 to November - December, 1981.

The Master Mechanic, Mike Scimemi was obviously trying to slow down the job. He shut my machine and others down for the slightest excuse- several times for "rain" where there was only a very slight drizzel or sprinkle. The pipefitters would try to keep working and get some pipe in the ground, but couldn't do it without operators. The pipefitters and operators (especially Mike Scimemi) would constantly argue because Scimemi would not let the operators work as they could have.

There were an awful lot of equipment break-downs for minor reasons (flat tires, split hoses, etc.) that seemed unusual and delayed the project.

[redacted]

The next morning when I got to the gate, the other operators were waiting and told me not to go in (to work) until we were told to. We stayed there quite a while after the job had started. Then, a while later, the truck that picked us up came to the gate and we went on to work. I heard that we were held up until Michael Wayne was hired back. I know he was hired back, because I saw him.

Me and Ricky LeBoux were the only two operators from Hackberry on the job. As such, we were not part of Scimemi"s preferred hands. I once told Miss Ann that I was sorry to see what the operators were doing to her and that I was not part of it. I was not part of it, and I am sure that's why I was layed off by Scimemi.

Howard Taliaferro
WITNESS

Kenneth Hebert
KENNETH HEBERT

Joan Hoffpauir
WITNESS

WITNESS

STATE OF LOUISIANA
PARISH OF CALCASIEU

BEFORE ME, the undersigned Notary Public, came and appeared ANN M. BLACKWELL, who declared that she was one of the subscribing witnesses to the signature of Kenneth Hebert, that the said Kenneth Hebert signed the above statement in her presence on the day of February, 1984, of his own free act and deed.

ANN M. BLACKWELL

SWORN TO AND SUBSCRIBED Before Me, Notary, this 20d day of February, 1984.

Irene L. Hebert
NOTARY PUBLIC

Ms. **Blackwell.** I would like to quote from his affidavit if I may.

The **Chairman.** All right.

Ms. **Blackwell.** "In about August or September of 1981, Scimemi's son Michael Wayne was fired. This happened when I was at home for lunch. When I got back, all the operators were gone except Mike Scimemi, Sr. He told me the operators had gotten sick from the drinking water, which didn't sound right to me, since everyone on the job drank the same water.

"When I told Scimemi I wasn't sick, he got very upset with me because I wouldn't leave."

The **Chairman.** Did you attempt to test the water to determine whether or not they were telling the truth?

Ms. **Blackwell.** Yes, sir. I sent my quality assurance manager out there to test the water, and immediately the water cans all got knocked over, so there was no evidence left.

The **Chairman.** In other words, they knocked the cans over and the water spilled out on the ground?

Ms. **Blackwell.** That is right.

The **Chairman.** What did you believe? Did you believe the water was actually contaminated?

Ms. **Blackwell.** Sir, we all drank the same water. The cans were all lined up every morning. The same laborer prepared all the cans. That was the only craft . . . those were the only people . . . that supposedly got sick that day. I had no choice but to believe it was a faked illness.

The **Chairman.** They were just trying to give you a rough time, is what you are saying?

Ms. **Blackwell.** Well, sir, when Scimemi sits out at the gate the next morning and meets the operators and tells them not to come in to work until his son is hired back, and they sit there; and when I hire his son back, then they come to work and not before; I have no other choice but to face what is going on.

The **Chairman.** Did other trade union workers complain of illness due to the drinking water, or was it an isolated case involving just the Operating Engineers?

Ms. **Blackwell.** It was just the operators.

The **Chairman.** In other words, of the 45 or so people on the job, only 10 to 15 were operating engineers; all of them drank out of the same water; and the only ones who claimed to have had any difficulty with the drinking water were the operating engineers, and then only after Mr. Scimemi's son was discharged by you for actions that you felt were detrimental to your work force and to your job?

Ms. **Blackwell.** Yes, sir. That is exactly right.

The **Chairman.** So in other words, what you are saying is that they were seeking retribution against you and were seeking to force you to put that boy back on the job, even though you felt that he had continued to disobey work rules and other rules on the job?

Ms. **Blackwell.** Yes, sir. I had no choices on this job.

The **Chairman.** Did Mr. Scimemi ever relate the work stoppage directly to the firing of his son?

Ms. **Blackwell.** Not to me, but it was—he didn't mind saying so. You know, little comments like "We showed her."

The CHAIRMAN. As I understand it, your quality assurance manager—what was his name?

Ms. BLACKWELL. William Bonvillain. Yes, sir, I believe he did tell William, did acknowledge to William that that is exactly what happened.

The CHAIRMAN. He told Mr. Bonvillain that the operators wouldn't go back to work until his son was hired again. Is that right?

Ms. BLACKWELL. That is right. He did.

The CHAIRMAN. I see. Was he rehired?

Ms. BLACKWELL. Oh, yes, sir. What does a contractor do economically? Just sit there with your whole job shut down? You are depending on——

The CHAIRMAN. You are facing a mandatory schedule with a very costly and unproductive work force there?

Ms. BLACKWELL. Oh, yes, sir, with no sympathy from the client whatsoever. So there are no choices.

The CHAIRMAN. You had no choice other than to reinstate him, even though you felt you were being really extorted at this point?

Ms. BLACKWELL. Sir, my job costs were running $1,500 an hour and up, and every hour—I mean, it doesn't take but a couple of days of that to put you in a tremendous economic difficulty.

The CHAIRMAN. What, in your opinion, was the purpose of these various alleged acts of sabotage and work slowdowns that you have described here for us today?

Ms. BLACKWELL. I honestly believe the primary purpose was to force Mar-Len out of West Hackberry, out of Louisiana, period, because we had a reputation as being an honest contractor, No. 1.

One of the methods of doing this, and it may have been part of this or it may have been Carlock's greed, but very definitely there were very few bones made about it; I was to rent my equipment from Tri Coast. I was not to use company-owned equipment.

The CHAIRMAN. I see. They wanted you to rent your equipment from another company. What is that, Tri Coast?

Ms. BLACKWELL. Yes, sir, Tri Coast specifically.

The CHAIRMAN. Tri Coast Construction Co.?

Ms. BLACKWELL. Yes, sir.

The CHAIRMAN. Well, as I understand it, they were already engaged in a number of contracts at West Hackberry. Is that right?

Ms. BLACKWELL. Yes, sir. They did virtually all the small contracts at West Hackberry.

The CHAIRMAN. And they were the subcontractor on the Maplewood job as well?

Ms. BLACKWELL. Yes, sir. They were also subcontracting from Mar-Len at Maplewood.

The CHAIRMAN. So you are saying they (406) were trying to force you to rent your equipment from them (Tri Coast)?

Ms. BLACKWELL. Yes.

The CHAIRMAN. Now, Ms. Blackwell, is it a common practice in your industry for a company to rent heavy equipment from its competitors?

Ms. BLACKWELL. No, sir, particularly when my company already owned the same equipment.

The CHAIRMAN. In other words, you had all the equipment you needed on that job?

Ms. BLACKWELL. Certainly.

The CHAIRMAN. You didn't need to go to someplace else and rent it?

Ms. BLACKWELL. My equipment was sitting idle because there was not that much work at this particular time.

The CHAIRMAN. Well, how extensive was the damage to your equipment?

Ms. BLACKWELL. Just in the area of equipment damage, the cost of hauling back and forth, and so on, it was approximately $100,000, documented cost.

The CHAIRMAN. Is that right?

Ms. BLACKWELL. Yes, sir.

I have an affidavit from Mr. Jerry Youngblood. Jerry Youngblood supervises all equipment for all Mar-Len operations.

The CHAIRMAN. Well, let's put that affidavit in, then, as Blackwell exhibit No. 5, without objection.

[Blackwell exhibit No. 5 follows:]

Blackwell Exhibit No. 5

STATE OF TEXAS
COUNTY OF Jefferson

BEFORE ME, Notary Public, in and for the County and State aforesaid, came and appeared:

Jerry Youngblood

who, upon oath, duly declared and affirmed as follows:

I, Jerry Youngblood, am employed by Mar-Len, Inc. of Nederland, Texas as General Field Superintendent. In this capacity I am directly in charge of all heavy equipment and oversee all projects on which Mar-Len's heavy equipment is utilized. Since Mar-Len equipment is provided to Mar-Len of Louisiana projects, I also serve as General Supervisor of Louisiana jobs. In this capacity I became well-aquainted with the circumstances of the West Hackberry SPR project and the Maplewood Drive project.

In my position, I was directly responsible for furnishing and/or approving all heavy equipment for the West Hackberry project. I also served in a Supervisory/Advisory capacity to Ann Malinowsky Blackwell, Project Manager at West Hackberry. I talked to Ann by telephone several times a day and visited the Hackberry site about once a week. Ann Blackwell and I have worked closely on several projects during the last several years, and, as is usual procedure, she kept me aware of project progress and problems - specifically operator and/or equipment problems since that is my area of expertise.

I have been an operator out of IUOE 450 in Texas for 28 years, am classified as a Master Mechanic and have been employed by Mar-Len for about 10 years under the direct supervision of Len Malinowsky, President.

In 1979, Mar-Len got a job with Department of Energy at St. James, La.. I met with and signed agreements with several Local Unions in the Baton Rouge Area. One was Paul Hernandez, Local 406 Business Agent for the Baton Rouge Area. We were treated as fairly and equally through that Local as we are in our Texas Locals. After the Baton Rouge Job was over I personally wrote a letter to Mr. Hernandez expressing my appreciation for a job well done.

I am extremely familiar with Hiring Hall procedures as well as Mar-Len's general policy and Ann Blackwell's management ability. I can honestly state that I have never observed an Operator's Local that operated with the "Henchman" tactics of Lake Charles, 406, have never seen Mar-Len be forced to submit to such tactics before, and certainly have never known Ann Blackwell to give in on a fight.

I know for a fact that she did not willingly give in to Willard Carlock - (406 Business Agent), Mike Scimemi - (the Master Mechanic 406 assigned to Mar-Len at West Hackberry) or Tri-Coast. I observed several extremely heated arguments between Ann and Scimemi and Carlock, and finally told Ann to just back down, as I was afraid that Carlock or Scimemi would have her hurt or killed. As a matter of fact, in about August or September of 1981, I asked Ann to consider leaving the job because of the (I felt) physical danger to her. She refused, stating that there was no one else who could run it because anyone we brought in would be either "bought off", intimidated or killed. I had to agree, but I did tell her to try to make some sort of peace with Carlock as I did not feel the job was worth her life.

Since she consulted me daily, I knew that she tried in every way to get along with Carlock anad Scimemi, but it became obvious that the only thing that would satisfy them was to let them have a free hand and "run" the job. Mar-Len was in a classic "Damned if you do - damned if you don't" situation. To fight the operators meant the equipment breakdowns and various slow-down tactics that we were undergoing but to give into them meant complete economic disaster. We tried to compromise by giving in enough to keep the job going, but doing our best to control the situation. I never saw - or heard of - any efforts of Parsons-Gilbane to help in any way with the labor situation. At times when we were shutdown because the operators had walked off the job the only thing they would say is "Why aren't you working?".

Since Owens had dealt with Carlock for pre-job and so-on, my first indication of what Mar-Len was in for was the day Scimemi arrived at Hackberry as our Master Mechanic in July, 1981. Up until that time Owens had an arrangement where a Tri-Coast Master Mechanic kept up our equipment. The day Scimemi arrived, Ann called me and said we had "a crazy person for a master mechanic". She was concerned because Scimemi had threatened to bash Mar-Len Superintendent's, James Smith, head in with a hammer. Scimemi had evidently gotten quite violent for no apparent reason. I went to Hackberry had a heart-to-heart talk with Scimemi and left thinking that I'd staightened things out.

Almost immediately equipment breakdowns increased. They soon got ridiculous, I'd send a piece of equipment that was running when I loaded it and it was broken by the time Scimemi unloaded it. Some of the so-called broken equipment I would bring back to Texas and put it to work immediately without repairs. Ann called me several times about the trackhoe (Mar-Len's) we were digging the main ditch with. She said that the operators kept complaining that it didn't "work right". I knew it was a good machine, but I went to Hackberry to see for myself - the hoe worked fine. Ann called one day and asked what on earth ws so wonderful about a Cat 225 (Trackhoe). I said that I was not going to rent a Cat hoe for that job because our hoe was sufficient if the operators would just run it. She said that all the operators were saying they needed a Cat 225 for production.

Meanwhile the equipment breakdowns got even worse - there were days when every piece of Mar-Len equipment was broken and I was constantly sending parts and replacements.

Finally, a few days after the Cat 225 conversation Ann called and told me that she had heard that the only way we could keep working equipment was to rent Carlock's equipment. But she didn't understand what that meant.

I told her to very casually ask Scimemi wheare a Cat 225 could be rented - if we just happened to need one. She did and Scimemi told her he thought Tri-Coast had one.

They did. I "let" Scimemi rent it and some other Tri-Coasat equipment and that's the only way we were able to work.

I was at the Holiday Inn in August for the Maplewood Pre-Job. Earlier that morning I had told Ann that Carlock would be there and she said she was going to come in and ask Carlock to replace Scimemi. She did and I observed thae conversation, although I wasn't part of it. Of course, he did not remove Scimemi.

Owens indicated to me on several occasions that he ahd an "in" with Carlock. Once he said - in reference to Carlock - "I have the key". A few weeks before he left Mar-Len (Dec, 1981) he told me he had hoped to stay until Maplewood Drive was finished because he'd "hate to see Mar-len have all those labor problems on the Maplewood Project".

In the Summer of 1981 Mar-Len was doing a job for Sabine Wildlife in Hackberry. Our Inspector Mr. Terril Hamil ask me if we wanted to bid on some additional work there. I said surely. Some time after we finished the job I drove by and saw Tri Coast doing the work. I stopped at the Headquarters and asked the Superintendent there where Mr. Hamil was and why we didn't get to bid on the job. He said Mr. Hamil was back in Alabama and that Bob Owens had picked up the plans for us to bid the job. I came back to Texas and ask Mr. Malinowsky if he had seen any plans from Sabine Wildlife. He said no.

.When Owen left Mar-Len in Dec., 1981, the Hackberry operators began slow-walking the project - openly and deliberately. We knew from previous experience that we could not fire or lay-off operators without a shut-door. Ann tried to fire Scimemi on many occasions but he would not accept a check, the Hall officials would not answer our calls and the project would immediately be damaged in some way - usually a underground electrical cable cut. I did order Scimemi, Jr. fired for a safety violation once - and all the operators "got sick". They were well as soon as Jr. was rehired.

In January, Mar-Len moved the Sulphur Office to a building that had a shop area. We decided to hire Tracy Willard (Ex 406 Business Agent) as shop mechanic and send all Hackberry Equipment to Sulphur Shop for repairs. That way, we hoped to control the sabotage since Tracy Willard would inspect the damage and supervise repairs and transport to Hackberry. Tracy Willard and Carlock openly disliked each other and Scimemi would not have dared to sabotage equipment that Tracy (member of the 406 executive board) was in charge of.

Carlock refused us the right to hire Tracy through the Hall. I was at the Hall the day that Ann requested Tracy Willard. She pointed out the contract language and Carlock said it didn't matter what the contract said, it was what he said that mattered.

We hired Tracy Willard anyway,as Equipment Superintendent. His job was to literally watch every move Scimemi made to keep him from further sabotage. Tracy "babysat" Scimemi and breakdowns lessened but even Tracy could not stop the "slow-walk" completely.

Ann and I plotted in secret to replace the operators without causing a job shut-down or a killing. We found a sub-contractor - F.D. Shay - (who was also a member of the 406 executive board) who was willing to sub the completion of the dirt work from us. Shay had worked for us previously and I knew he was competent and that Carlock did not cross him.

We sent all Tri-Coast equipment back, layed-off Scimemi and the operators and Shay moved in. Carlock would not man Shay's Job! It was a complete stalemate. After a week or so, Shay gave up and pulled out. Carlock sent operators to Mar-Len, but told them not to work without a Master Mechanic. And, of course, the Master Mechanic he sent was Scimemi. Ann wouldn't let him on the job. This went on for about 3 weeks in all, and cost Mar-Len thousands of dollars for idle equipment, pay to operators that were forbidden to work, and lost productivity. I called a friend of mine J.T. Haine with International IUOE. He came down and we talked to Carlock. Carlock said he would replace Scimemi only if Mar-Len replaced Ann. She was "forbidden" by Carlock to call or go to the Hall. We decided she would stay, and, with J.T.'s help, Scimemi was finally replaced.

In summation, I can honestly state that in regard to the Hackberry Project, Mar-Len was forced by Willard Carlock, Bob Owens, Mike Scimemi, and Garland Davidson to rent equipment from Tri-Coast. Mar-Len epuipment was sabotaged by Scimemi and Scimemi was not in fact a Master Mechanic. He was Willard Carlock's henchman. The atmosphere of the entire project was one of conspiracy and the threat of physical harm to Mar-Len personnel was mostly implied - but very real.

I have read O.T. Fisher's statement concerning the Maplewood Project and can verify his statements. Since Ann Blackwell reported to me daily, I can verify most of her statements. I know both Ann and O.T. to be honest, truthful, and capable in their fields.

I swear that all I have stated here is the absolute truth to the best of my ability to recall the circumstances.

Subscribed and sworn before me this 18th. day of January 1984

Notary in and for Jefferson
County, Texas

My Commission Expires 8-5-85

Ms. **Blackwell**. If I may quote from his affidavit, Mr. Youngblood states that equipment sabotage became so extensive, there were days when every piece of Mar-Len equipment was broken, and he was constantly sending parts and replacements to maintain them.

He also states, and I quote:

> Almost immediately, equipment breakdowns increased. They soon got ridiculous. I would send a piece of equipment that was running when I loaded it, and it was broken by the time Scimemi unloaded it.
>
> Some of the so-called broken equipment I would bring back to Texas and put to work immediately without repairs.

The **Chairman**. Why would he take it back to Texas?

Ms. **Blackwell**. Well, because it would run over in Texas; it wouldn't run in Louisiana. You may as well just come get it before they destroy it completely.

The **Chairman**. I see. Was part of—did he live in Texas?

Ms. **Blackwell**. Yes, sir. Mar-Len operates in Texas and in Louisiana. They are separate corporations.

The **Chairman**. In other words, this company was a Texas company operating in Louisiana?

Ms. **Blackwell**. No, sir. This is a Louisiana corporation. There are two Mar-Lens.

The **Chairman**. One in Texas, one in Louisiana.

Ms. **Blackwell**. Yes, sir. I run the Louisiana one. I have very little to do with the Texas one.

The **Chairman**. But the equipment crossed State lines?

Ms. **Blackwell**. Yes, sir, the equipment does cross State lines.

The **Chairman**. And some of the equipment was owned by the Texas company as well as——

Ms. **Blackwell**. The equipment is all owned by the Texas company.

The **Chairman**. I see.

Ms. **Blackwell**. Louisiana in fact rents its equipment from Texas.

The **Chairman**. According to the Youngblood affidavit, you informed him that the operators complained that a Mar-Len Track Hoe machine didn't work right; that they needed a Cat 225 Track Hoe.

What differences, if any, are there in the two pieces of equipment?

Ms. **Blackwell**. Well, you know, I had to call Jerry and ask him that, because I couldn't figure it out for the life of me. We have a perfectly good hoe. He told me it was like the difference between a Ford and a Chevrolet; he said, "The hoe you've got is just fine; there is nothing wrong with it."

The **Chairman**. So there basically was no real difference between the two pieces of equipment?

Ms. **Blackwell**. No, sir. It was simply that the more they talked about this Cat 225—oh, meanwhile, I had had a salesman—I can't recall his name, or some such—just mention to me when he came to the job, where was I getting my equipment. I said, "What do you mean, where am I getting it? We've got our equipment." He said, "Well, in this part of the country, you have to rent from Willard Carlock."

The CHAIRMAN. You have to rent from where?

Ms. BLACKWELL. You have to rent your equipment from Willard Carlock. Well, I had never heard of——

The CHAIRMAN. From Willard Carlock?

Ms. BLACKWELL. That is the way this gentleman put it to me, and I had never heard of such, so I called Jerry, and he thought about it—I told him what I had heard, and he thought about it, and he said, "Well, Ann, this Cat 225 hoe, why don't you just go out there and ask the operators where you might can rent one?" hoping to identify what constituted Willard Carlock's equipment that way.

So I went out in the field, and I said, "Well, if we do really need a Cat 225 hoe—and maybe we do—do you boys know where we can rent one?" Mike Scimemi said, "Well"—he kind of hem-hawed around a little bit—I think Tri Coast has one. Let me check." So I got to rent one for about $6,000 a month to replace my perfectly good machine.

The CHAIRMAN. In other words, in order to complete your job, even though you had a perfectly good piece of equipment, and there was no difference between the so-called Cat 225 hoe, and your piece of equipment could have done the job just as well if not better——

Ms. BLACKWELL. That is right.

The CHAIRMAN. You were forced, in essence, by these people to go and rent this equipment from another competitor, even though you had your own equipment ready to go?

Ms. BLACKWELL. Yes, sir.

The CHAIRMAN. Were there any other incidents of this type?

Ms. BLACKWELL. Yes, sir, there were many instances of this type. Mr. Johnson here was ordered by Scimemi—he was driving a Mar-Len 'dozer that was more than adequate for the job, and Scimemi told him to park it and use a Tri Coast front-end loader, which is really an inferior-type machine for this purpose and was not nearly as fine a piece of equipment as the 'dozer, but nevertheless——

The CHAIRMAN. In other words, the 'dozer was your piece of equipment; it was superior to the so-called front-end loader that they wanted you to rent from Tri Coast?

Ms. BLACKWELL. Yes, sir.

The CHAIRMAN. And yet they forced you to go to Tri Coast and rent it?

Ms. BLACKWELL. Yes.

The CHAIRMAN. I see.

In all, how many pieces of heavy equipment were used at West Hackberry?

Ms. BLACKWELL. Approximately 10 pieces of the major heavy-type equipment.

The CHAIRMAN. And how much of that equipment did you rent from Tri Coast?

Ms. BLACKWELL. Two-thirds to three-quarters of it, somewhere in there.

The CHAIRMAN. And you are saying here today that you had every piece of equipment yourself and could have done the job yourself without renting any from Tri Coast?

Ms. **Blackwell**. Sir, I had 40 pieces that I could have used that belonged to Mar-Len on this project at any given time.

The **Chairman**. What was the cost, the extra cost to you, on this job for having to rent equipment that you really didn't need from Tri Coast because of the Operating Engineers Local forcing you to do so?

Ms. **Blackwell**. The cost of the rented equipment itself was close to $100,000.

The **Chairman**. Close to $100,000?

Ms. **Blackwell**. Yes, sir, that we paid Tri Coast.

The **Chairman**. In other words, here you are, a contractor, trying to do the job, and you have all of your own equipment, some of it better than the equipment they were forcing you to rent, and they forced you to spend another $100,000 in order to lease or rent equipment that they wanted you to rent, even though you had the equipment that would have done the job, anyway?

Ms. **Blackwell**. That is exactly right.

The **Chairman**. And you had to pay $100,000 extra dollars out of your pocket before the job was through?

Ms. **Blackwell**. Yes, sir.

The **Chairman**. Whom were you doing this job for?

Ms. **Blackwell**. The Department of Energy.

The **Chairman**. This is the Department of Energy of the U.S. Government?

Ms. **Blackwell**. Yes, sir.

The **Chairman**. Well, then, in essence, the U.S. Government had to pay that $100,000.

Ms. **Blackwell**. No, sir. I had to pay it.

The **Chairman**. In other words, you had to pay it out of your set contract——

Ms. **Blackwell**. That is right.

The **Chairman**. But the U.S. Government had to pay you?

Ms. **Blackwell**. I had a set figure for the contract. My risk, when I assumed the risk——

The **Chairman**. I am saying, out of what the U.S. Government paid you, you had to pay for those extra pieces of equipment that you really didn't need.

Ms. **Blackwell**. That is right. Yes, sir.

The **Chairman**. That is unbelievable. Were any of the rentals from Tri Coast necessary?

Ms. **Blackwell**. No, sir.

The **Chairman**. Not one piece of equipment?

Ms. **Blackwell**. No, sir.

The **Chairman**. Not 1 day of rent?

Ms. **Blackwell**. No, sir.

The **Chairman**. Well, these damages that were occurring to your equipment, did they stop once you started renting from Tri Coast?

Ms. **Blackwell**. Yes, sir. I learned through trial and error that is the only way I could keep a piece of Mar-Len equipment running, was to rent a sufficient number from Tri Coast.

The **Chairman**. Well, tell me why you had to rent from TriCoast, if you know.

Ms. **Blackwell**. Because, like I said, it started out with—we just kind of asked around on the Cat 225 Track Hoe, and whenever we needed a piece of equipment, Scimemi said, "If you will just put me in charge of it, I will take care of everything," and then Carlock would come out to the job, and he just quite frankly acted like he owned Tri Coast, and I would sit there and look at Carlock. He would supposedly be representing the operators when he came out, but I considered myself talking to a competitor in business, because he would come out and say, "How's all the equipment running?" Well, he wasn't talking about mine. Mine sure wasn't running.

The CHAIRMAN. So, in other words, he indicated to you that he was an actual competitor in business and had some sort of a relationship with Tri Coast?

Ms. BLACKWELL. He gave the impression of that. I cannot say that the man ever came out and said he owned Tri Coast, but from all his actions and dealings out at Hackberry at the time—and, mind you, I was from Texas; I was a stranger to the area; I knew nothing about Willard Carlock or Tri Coast. But he obviously had an interest in that company.

And then Scimemi used to brag about that he ran Carlock's business for him and made $200,000 a year doing it. So it was pretty obvious something was going on.

The CHAIRMAN. What basis do you have for those statements? Give me whatever basis you have for those kinds of statements.

Ms. BLACKWELL. Well, see, Scimemi spent a lot of time—well, Carlock spent a lot of time visiting me. He would come out there about every 3 days and pay me visits. You know, he wanted to be "friends." Well, I don't conduct my business that way.

Then he would have to check on his equipment. Then Scimemi would come in the trailer, just kind of run off at his mouth a lot, and it all seemed to be geared to giving me the little lessons I needed to know to cooperate.

The first time I ever heard about Jupiter and Ellender bridge and all of those incidents—because I had no background in those—I heard them from Scimemi, telling me that—daring me to go to the FBI, daring me to do anything about what they were doing, because they had already been indicted on everything; nobody could touch them.

The CHAIRMAN. Did you feel intimidated by these threats?

Ms. BLACKWELL. Certainly, I felt intimidated, because I would ask my people from Lake Charles, I said, "Is this so? Did these things really happen?" and they would say yes. And I would say, "Has the FBI ever done anything?" and they would say no.

And Carlock even came out on the job one day and told me, he said, "I'm not afraid of you, a grand jury, the Justice Department, the FBI." He said, "They've never been able to touch me, and they're never going to touch me." So these people felt free to get away with murder, and they rubbed my face in it every chance they got, and they were really open and blatant about it.

Scimemi had no problem admitting it to me, and he was careful not to do it with too many people around. The people he did it around are scared to come up here and testify. They're scared to say so, because they don't have anywhere else to go. I've got somewhere else to go, and they don't. They live there.

The CHAIRMAN. You have some affidavits of Ricky Cardenas, Charles Shoemaker, and Nerrel K. Guillory.

Ms. **Blackwell**. Yes, sir.

The **Chairman**. We will put those into the record at this point as Blackwell exhibits No. 6 through 8.

[Blackwell exhibits Nos. 6 through 8 follow:]

Blackwell Exhibit No. 6

I, Ricky Cardenas, was employed by Tri-Coast Construction as a Truck Driver.

While I was employed there I took direct orders from Willard Carlock Sr.. When Tri-Coast bought equipment from Bob Bowles, Willard Carlock Sr. gave orders to every Truck Driver going to pickup the dozers and equipment and went with us.

Nearly every day Willard Carlock Sr. would stay in an office at Tri-Coast and use their phone and would not let any employee go in Carlock's office.

Tri-Coast bought a Freightliner Truck and brought it to Lake Charles. Willard Carlock Sr. used his personal operators to rig this truck out the way he wanted it rigged up, then put the truck to work for Tri-Coast hauling heavy equipment.

Howard Taliaferro 1/19/84
WITNESS DATE

Ricky Cardenas
RICKY CARDENAS

1/19/84
DATE

11/19/84
WITNESS DATE

1/19/84
WITNESS DATE

STATE OF LOUISIANA
PARISH OF CALCASIEU

BEFORE ME, the undersigned Notary Public, came and appeared HOWARD TALIAFERRO, who declared that he was one of the subscribing witnesses to the signature of Ricky Cardenas, that the said Ricky Cardenas signed the above statement in his presence on the 19th day of January, 1984, of his own free act and deed.

Howard Taliaferro
HOWARD TALLIAFERRO

SWORN TO AND SUBSCRIBED Before Me, Notary, this 19th day of January, 1984.

NOTARY PUBLIC

Hallwell Exhibit No. 7

State of Louisiana
Parish of Calcasieu

BEFORE ME, Notary Public, in and for the Parish and State aforesaid, came and appeared:

Charles A P Schomaker

who, upon oath, duly declared and affirmed as follows:

I, Charles A P Schomaker, was hired by Tri-Coast, Inc. as a business consultant for Tri-Coast on November 17, 1980 and left in February, 1981. During that time I was told by Garland Davidson, President of Tri-Coast,that when a Mr. Willard Carlock called that I was to notify him immediately but never to mentioned his name over the radio. I later learned that Mr. Carlock was business agent of Operating Engineer, Lake Charles Local 406. Mr. Carlock and Mr. Davidson usually spent 5 to 7 hours together in Mr. Davidson's office at Tri-Coast, Inc. two to three days a week. These meeting were held from 4:00 in the afternoon till after 8:00 at night. It was stated to me by Ralph Grafton, Tri-Coast Vice President, and Garland Davidson that Mr. Carlock was helping them and had some 'inside' information on some bids. It was also stated by Ralph Grafton to me that Garland Davidson had blank, signed referral slips given to him by Mr. Carlock.

Tri-Coast, Inc. had signed labor agreements with all the local labor unions. Tri-Coast however did not live up to these agreements; they paid less than union scale to some men and union scale to others. When this was know to the Laborer's Union business agent, Mr. Feeman LaVerne, he personally visited and caused Tri-Coast to pay union scale. Mr. Carlock knew who was working for Tri-Coast as operators. I know personally that several men were being paid $9.00 a hour which was approximately $6.00 a hour under scale. Mr. Carlock never enforced the pay scale with Tri-Coast to my knowledge.

CHARLES A. P. SCHOMAKER
SWORN TO AND SUBSCRIBED Before Me, Notary Public, on this 30th day of December,1983.
Patricia A. Lavallon
NOTARY PUBLIC

STATE OF LOUISIANA
PARISH OF CALCASIEU

Blackwell Exhibit No. 8

I worked out of the Operator's Union Hall, Local 406 - starting in 1978 through 1980 - I worked strictly by referral only, with Bookmen sitting on the bench. I was given referral for one job at a time without ever signing Worklist. In 1980, I went to work for Tri-Coast, Inc. - operating machinery and driving trucks. On one morning, Mr. Willard Carlock, Sr. came to me and told me to get the lowboy ready to go to Houston and that afternoon went to Browning-Ferris Industuries in Willow Springs to pick one D-6 Dozer - went back to Tri-Coast, Inc. yard, a couple of days later, Mr. Willard Carlock, Sr. - and I went to Houston to deliver the dozer and then went to Caterpillar place to pick up one disc, returned to Lake Charles - same day.

One day, I was told by Mr. Willard Carlock, Sr. - to go with him to pick his son's (Willard Carlock, Jr.) Bronco, and take to Ford place in Sulphur for body repair.

I was given orders repeatedly by Mr. Willard Carlock, Sr. to do Tri-Coast, Inc. work.

Mr. Carlock, Sr. and I went to Mr. Grafton's yard, picked up one 225 Caterpillar Backhoe, and went to Daigle Brother's Pit to load a part of a truck. Mr. Carlock, Sr. ran the hoe.

During the time of my working out of the Union Hall - I never paid Union Dues or assessments - I worked for Tri-Coast at Hackberry Salt Domes - I worked dozer for 8 hours and then worked cherrypicker for 4 or 5 more hours. Also at Salt Domes, I ran dozer to pull sled with wire and cover trench, plus used backhoe to cut across roads.

Witness

Witness

Nerrel W Guillory 12/12/83
Nerrel Wayne Guillory DATE

Rt. 2, Box 1182
Westlake, Louisiana 70669
(318) 882-0626

MLT ACKNOWLEDGED BY ABOVE SUBSCRIBING WITNESSES MLT

THUS DONE, AND SIGNED this 12th day of December, 1983, in the presence of ~~the competent witnesses and me,~~ MLT Notary, at Lake Charles, Louisiana.

NOTARY PUBLIC

The **Chairman**. Would you care to comment about those?

Ms. **Blackwell**. Yes, sir. These three gentlemen have each testified to various things that they witnessed connecting Willard Carlock with the Tri Coast Co.

Ricky Cardenas' affidavit states that Willard Carlock would stay in the office at Tri Coast nearly every day and used his own union's operators, the 406 operators, to rig out Willard Carlock's own tractor-trailer rigs—he had a trucking business going on, too—rig them out the way he wanted, and then put them to work for Tri Coast, and Ricky was a truck driver, so he knows what he is talking about.

Charlie Shoemaker was an office manager over at Tri Coast for a while. His affidavit states that Carlock spent at least 5 to 7 hours a week at the Tri Coast offices, and that Carlock gave the Tri Coast president blank referral slips that had been signed by a union representative. Essentially, Tri Coast functioned as the 406 hiring hall by having the authority to refer these operators to jobs.

Also, Mr. Guillory's affidavit states that Tri Coast paid less than union scale to some operators. Mr. Guillory states he was given orders repeatedly by Carlock to do Tri Coast work and never paid union dues or assessments while he worked at Tri Coast.

The **Chairman**. Did Mr. Carlock ever personally contact you about renting the Tri Coast equipment?

Ms. **Blackwell**. No, sir. Like I say, he would come out every 3 or 4 days after I started renting Tri Coast equipment, and asked me was all my equipment running all right, and kind of suggesting I might need another piece, or telling me that I was going to get another operator.

But like I said, he did tell William Bonvillain, my quality assurance manager, that we should be renting all our equipment from Tri Coast to avoid having breakdowns.

The **Chairman**. I see.

Did Mr. Bonvillain report to you that Mr. Carlock had suggested that you rent Tri Coast equipment?

Ms. **Blackwell**. Yes, sir.

The **Chairman**. I see.

Were you able to hire a supervisor of your choice to oversee the work of the Operating Engineers at the job site, or did you have to put up with what Mr. Carlock decided?

Ms. **Blackwell**. No, sir, I never had any choices in that matter. I got Scimemi, and I could not fire Scimemi. I found that out. When I tried to make out his check and hand it to him, he would hold up his hands and say, "I'm calling Carlock." Then I would try to call Carlock, and he wouldn't be there, and——

The **Chairman**. Well, doesn't your union contract provide that you have the right to hire your own leadership there?

Ms. **Blackwell**. Yes. I have a copy of it, and it specifies that I can select a master mechanic and assistant master mechanic from the operators within my area or through the exclusive referral procedure.

The **Chairman**. Let me introduce that in the record at this point as Blackwell exhibit No. 9.

[Blackwell exhibit No. 9 follows:]

Blackwell Exhibit No. 9

Preamble

Article 1. Recognition - Bargaining Rights

Article 2. Scope of Agreement

Article 3. Equal Treatment Provision

Article 4. Union Security

Article 5. Subcontracting

Article 6. Jurisdiction

Article 7. Grievance Procedure

Article 8. Safety and Sanitation

Article 9. Referral of Employees

Article 10. Freedom of Movement

Article 11. Foremen - Crew Sizes

Article 12. Hours of Work

Article 13. Reporting Time

Article 14. Overtime Rates and Conditions

Article 15. Multiple Shifts

Article 16. Call Outs

Article 17. Holidays

Article 18. Pay Day

Article 19. Union Representation

Article 20. Use of Apprentices

Article 21. Special Craft Provisions

Article 22. Wage Rates

Article 23. Fringe Benefits

Article 24. Diversion of Wages to Fringe Benefits

Article 25. Working Dues Check-Off

Article 26. Savings Clause

Article 27. Duration of Agreement

AGREEMENT BETWEEN

International Union of Operating Engineers,
Local No. 406

AND

LAKE CHARLES DISTRICT, ASSOCIATED GENERAL CONTRACTORS
OF LOUISIANA, INC.

PREAMBLE

This Agreement made and entered into by and between those members of the Lake Charles District, Associated General Contractors of Louisiana, Inc., and other Employers who have assigned their bargaining rights to the Lake Charles District, AGC, all listed in Appendix "A", together with such other members of said District or other Employers who may hereafter become signatory hereto or who may assign their bargaining rights to the Lake Charles District, AGC, sometimes hereinafter referred to as "Contractors" or "Employers" collectively, and sometimes as "Contractor" or "Employer" individually, and the INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 406, hereinafter referred to as "Union". Whenever the words "Employees" or Employee" appear in this Agreement, it shall be considered as referring to the Contractors' employees over whom the Union has jurisdiction. Whenever words of the masculine gender appear in this Agreement, it is understood that they are meant to include persons of both sexes.

ARTICLE 1 - RECOGNITION - BARGAINING RIGHTS

A. The Employers hereby recognize the Union as the sole and exclusive collective bargaining representative of all employees of the employers over whom the Union has jurisdiction.

B. Except as provided in Article 21, the Union recognizes the Lake Charles District, Associated General Contractors of Louisiana, Inc., as the bargaining agent for Employers as outlined above and such other Employers who may become a party to this Agreement and doing construction work covered by the terms of this Agreement, subject to the provisions of existing State and Federal Laws.

ARTICLE 2 - SCOPE OF AGREEMENT

Except as provided in Article 21, these regulations applicable to building and construction trades work, set forth specific understandings concerning wages, hours of work, and other conditions of employment to govern the relationship of the parties hereto. It is understood that no other regulations concerning working rules coming within the area of matters subject to collective bargaining may be adopted by either party and any such regulations that may be agreed to hereafter by both parties shall be set forth in writing and made a part hereof.

ARTICLE 3 - EQUAL TREATMENT PROVISION

The Union agrees that if during the life of this Agreement it grants to any other Employer any better terms or conditions than those set forth in this agreement the Union shall immediately notify the Employer of any such concessions, and such better terms or conditions shall be made available to the Employers under this Agreement.

ARTICLE 4 - UNION SECURITY

THE PROVISIONS OF SUB-SECTIONS A AND B OF THIS PARAGRAPH WILL NOT BE APPLICABLE SO LONG AS THE LOUISIANA RIGHT-TO-WORK LAW IS IN EFFECT. IF THE RIGHT-TO-WORK LAW IS REPEALED THE FOLLOWING SHALL BECOME APPLICABLE ON THE EFFECTIVE DATE OF THE REPEAL.

A. The parties agree that, as a condition of employment with any Employer covered by this Agreement, that after an employee has worked continuously for any particular Employer covered by this Agreement for more than seven days, said employee shall after the seventh day following his continuous employment with said Employer, become a dues paying member of the Union in good standing and maintain said dues paying membership throughout his continuous employment with said Employer.

B. If an employee fails to become a dues paying member as provided for herein, and the Union desires that the said Employer shall terminate the employment of said employee, the Union shall notify his Employer by letter on the official stationery of the Union signed by the business agent of said Union, and said letter shall contain the statement that membership in the Union was offered to said employee on the same terms and conditions as offered to all members of the Union and that said employee has failed to accept membership on that basis.

ARTICLE 5 - SUBCONTRACTING

The contractor agrees that he will not contract or subcontract work covered under the terms of this agreement to be done at the site of construction or other work covered by this agreement except to a person, firm, or corporation party to an appropriate current union labor agreement with a union having jurisdiction over the work in a manner consistent with the National Labor Relations Board General Council Memorandum 76-57, C 77-2 and any modifications or amendments thereto.

Upon request of a subcontractor, the union will enter into a "Project Agreement" with the subcontractor, making available to him the same terms and conditions available in this agreement. The "Project Agreement" shall not be binding on the subcontractor except on the work of the subcontractor referred to herein.

ARTICLE 6 - JURISDICTION

A. There will be no strikes, no work stoppages or slow downs or other interferences with the work because of jurisdictional disputes.

B. The Contractors agree that in the assignment of their work they will use as jurisdictional guidelines the classifications of work designated by the Building and Construction Trades Department, AFL-CIO, and the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers, agreements of record, decisions of record, international union agreement, area practice and trade practice. The above order of precedents and the dates of the various decisions and agreements will be considered in making assignments.

C. In the event an International Mechanism is established for the purpose of settling jurisdictional disputes and is approved by the International Unions and Employer Associations, the contractors are to abide by the procedures thus established.

ARTICLE 7 - GRIEVANCE PROCEDURE

A. The Union and Employers agree that there shall be no strike or lockouts or work stoppage without first having used all methods of settlement as provided for in this Agreement, including the grievance procedure.

B. Any disputes arising between the Employer and the Union as to the meaning or application of any provision of this Agreement shall be treated as a grievance and disposed of in accordance with the following steps:

1. Between the steward and the Employer's representative on the job, and if not settled within two days,

2. Between the business manager and the Employer or his representative, and if not settled within two days,

3. Between three representatives of the Lake Charles Chapter, AGC and three representatives of the Building and Construction Trades Council, and if not settled within two days,

4. By arbitration.

The method of arbitration shall be as follows:

Upon written request for arbitration by either party, each party shall designate an arbitrator to represent it. The two arbitrators so selected then designate a third arbitrator but if agreement on such third arbitrator is impossible, he shall be designated by the Federal Mediation and Conciliation Service. The decision of a majority of the arbitrators shall be final and binding. All expenses, if any, of the third arbitrator shall be divided equally between the parties, and the fees and expenses of the arbitrator designated by each party shall be borne by it. It is distinctly understood that a suspension of work is prohibited until the foregoing provisions have been exhausted.

ARTICLE 8 - SAFETY AND SANITATION

A. All work of the Employer shall be performed under approved safety conditions which must conform to state and federal regulations. Furthermore, the Employer shall have the right to require the employees to conform to all safety and security regulations and measures. The Employer must at all times provide workmen's compensation insurance and provide proof upon request of Union.

B. When an employee is injured on the job and brought to a doctor and on doctor's written orders has to return to the doctor during working hours he shall be paid for time going to and from the doctor's office. Employer shall also provide transportation for same.

C. Sanitary iced drinking water, toilet facilities, and change house must be available to all employees in compliance with the provisions of the state sanitary code.

D. Employees required to work in concrete will be furnished rubber boots by Employer when requested.

E. If an employee is required to work in rain, he will be furnished a raincoat, if requested.

F. When an employee is required to work in an area exposed to acids or chemicals, he should be furnished protective clothing and shoes when necessary. If an employee has clothing or shoes destroyed by acids or chemicals, not caused by negligence on his part, the Employer shall reimburse the employee within five (5) working days.

G. Suitable pills will be furnished welders, burners, and those assisting welders or burners, when welding or burning on galvanized or other material which causes a similar problem.

ARTICLE 9 - REFERRAL OF EMPLOYEES

Except as provided in Article 21,

A. Requests by the Employer for employees who have been employed by the Employer 50% of the time during the previous twelve months in which the Employer employed Operating Enigneers shall be given preference of re-hire and shall be dispatched to the Employer regardless of the applicant's position on the out-of-work list.

B. Requests by the Employer for employees previously employed by the Employer and who have been laid off or terminated by the Employer within 30 days previous the requests shall be given preference of rehire and shall be dispatched to the Employer regardless of the applicant's position on the out-of-work list.

C. The exception to A and B above shall be that any man hired from the referral list shall not be eligible for re-hire by the same Employer within seven (7) days of his termination unless said employee worked eighty (80) or more hours immediately prior to his termination.

D. When an employee is discharged for reason and the Employer advises the Union in writing that the employee is not for rehire, the Union shall not refer the employee to the same Employer thereafter without the Employer's prior approval.

ARTICLE 10 - FREEDOM OF MOVEMENT

A. There will be no restrictions on Employers transfering employees from one job, or project, to another.

B. If employees are transferred from one job site to another by the Employer during working hours, they will be paid for the time of travel.

ARTICLE 11 - FOREMEN - CREW SIZES

Foreman wage rates and crew size provisions shall be as provided in Article 21.

ARTICLE 12 - HOURS OF WORK

A. Eight Hour Days

1. Eight hours of continuous work between the hours of 6:00 AM and 5:00 PM, exclusive of lunch period, shall constitute a day's work, Monday through Friday. Any work day shall begin not later than 8:00 AM. Any deviation from these hours of work will be subject to the mutual approval of the Employer and the authorized representative of the Union. There shall be no split shifts except by mutual agreement. Forty (40) hours shall constitute a work week.

2. Employees shall be granted a one-half hour lunch period. If, by scheduling lunch periods at different hours, it is impossible to allow an employee a lunch period during the interval of one lunch period prior to or one lunch period following the schedule lunch period, then the Employer shall allow the employee the applicable overtime rate in lieu of his lunch period.

3. A single night shift may be worked at the straight time rate, provided that the nature of the work makes it impossible for the job to be worked during the regular daytime hours, such as construction, alterations or repair of businesses or public facilities which cannot be interrupted.

B. Four Ten Hour Day Option

1. At the option of the Employer, the standard work day shall be an established consecutive ten (10) hour period between the hours of 6:00 AM and 6:00 PM exclusive of a thirty (30) minute lunch period. Forty hours per week shall constitute a week's work, Monday through Thursday, inclusive. In the event time is lost because of weather conditions Monday through Thursday, then Friday can, at the option of the Employer, be worked as a makeup day at the straight time rate not to exceed ten (10) hours per day or forty (40) hours for the week. When the starting time is designated by the Employer the Union will be advised of the starting time. All Friday make-up days, if worked, will be worked a minimum of ten (10) hours.

2. On any jobsite, where in the best interest of Union and Contractor, the starting time and quitting time for any day and/or week or shift may be changed when acceptable to both parties.

3. All hours worked outside the standard work day; work week and make up day shall be overtime. All work on Saturday shall be paid at the rate of time and one-half. Any work performed on Sundays and Holidays shall be paid at double time rates.

4. Employees starting to work on the job after the beginning of the work week on Monday shall not be required to work on Friday unless it is a make-up day for the entire job.

C. Work Limitation

1. There shall be no limitation on the amount of work to be performed by any employee during working hours.

D. Putting Up Tools

1. Sufficient time will be allowed employees to clean and store tools before completing his work or before the end of the work shift.

E. Water Transportation

1. Water Transportation - Where a boat is needed for transportation of crew to and from jobsite, said transportation will be one-way outside the work hours, not to exceed fifteen (15) minutes. Riding time the other way will be on the Employer's time.

ARTICLE 13 - REPORTING TIME AND MINIMUM PAY

A. Two hours pay at the applicable rate will be allowed for reporting unless employee is notified on the previous day not to report. If the Employer so desires the employee must remain at the job site these two hours at no other pay unless work is begun. If employee is put to work, he shall receive four (4) hours' pay at the applicable rate. If more than four (4) hours are worked, he shall receive eight (8) hours' pay at the applicable rate.

B. The provisions of this section are not applicable where the employee voluntarily quits or lays off or is out by reason of a strike.

ARTICLE 14 - OVERTIME RATE AND CONDITIONS

A. On jobs with a work week with five 8-hour days, all time worked in excess of eight (8) hours in any one day, Monday through Friday, and all work on Saturday shall be paid at the rate of time ond one-half.

B. On jobs with a work week with four 10-hour days, all time worked in excess of ten hours in any one day, Monday through Thursday, and all work on Friday and/or Saturday shall be paid at the rate of time and one-half, except work on Friday as a make-up day, as provided in Article 12. B-1.

C. Any work performed on Sundays and/or Holidays shall be paid at double time rates.

D. Employees who are required to work overtime, without one (1) day's notice, shall be fed by the Employer, after more than two (2) hours overtime has been worked and who are expected to remain on the job and every four (4) hours thereafter. In any event, if an employee is required to work for more than twelve (12) hours and remain on the job, he shall be fed by the Employer.

E. If an employee works through lunch period, he will be paid at the applicable overtime rate and will be allowed to eat lunch on company time.

F. If an employee is put to work, Monday through Friday, without having received a seven (7) hour break from the previous work day, he shall be paid one and one-half times the straight time rate of pay for the first eight (8) hours of work performed on that day and double time for all work performed in excess of eight (8) hours on that day. If an employee is put to work on Saturday without having received a seven (7) hour break from the previous work-day, he shall be paid double-time for all work performed on Saturday. Work performed on call-outs, as provided in Article 16, shall not be used in computing the above seven hour break.

G. When an employee works less than one-half (1/2) hour of overtime, he shall be paid to the next one-half (1/2) hour at the applicable overtime rate.

ARTICLE 15 - MULTIPLE SHIFTS

A. Multiple shifts may be established by the Employer provided they are worked for two or more consecutive days.

B. Where two or three shifts are worked, the first or day shift shall be established on an eight (8) hour basis; the second shift shall be established on a seven and one-half (7 1/2) hour basis for which eight (8) hours pay shall be given; and the third shift shall be established on a seven (7) hour basis for which eight (8) hours pay shall be given.

C. For the purpose of multiple shift operation, the official work day shall be the 24 hour period following the start of the first or day shift; ie., 7 AM to 8 AM. The official work week shall be the 5 day period from the starting time of the first or day shift on Monday through the end of the second or third shift on Friday. It is understood that when three shifts are worked, the first or day shift shall be the beginning of the 24-hour period and the last shifts worked shall be recognized as belonging to that day. In other words, where three shifts are worked, the third shift on Friday will actually be worked on Saturday morning. For the purpose of multiple shift operation, Saturday and Sunday will be from the start of the day shift on Saturday until the day shift on Monday and shall be paid for at the applicable premium rate.

D. Two shifts of more than eight (8) hours each may be worked, provided both shifts are for an equal number of hours. The First, or day shift, will be worked eight (8) hours at straight time and the remaining hours on the first or day shift shall be paid at the applicable overtime rate; the second or night shift will be worked seven and a half (7 1/2) hours for which eight (8) hours straight time will be paid and the remainder at the applicable overtime rate.

ARTICLE 16 - CALL OUTS

Any employee who is called out to work outside of his established normal work period, shall receive not less than four (4) hours wages at the double time rate, unless he continues into his regular work period, in which event, he shall receive the double time rate for actual hours worked before the normal work period. When an employee is directed on the prior work day to report at a time earlier than his regular starting time, it shall not be considered a call out, and all time worked before the regular starting time shall be paid at the applicable overtime rate.

ARTICLE 17 - HOLIDAYS

A. Holidays - New Year's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day. These may be altered by mutual agreement between the Lake Charles District AGC and the Building Trades Council.

B. If Holidays fall on Sunday, the Monday following will be observed.

ARTICLE 18 - PAY DAY

A. Pay Day shall be weekly, not later than end of day shift on Friday. Not more than one week's pay shall be withheld. When an employee is discharged, he shall be paid at once, and if he must wait for his money, he will be paid waiting time at the prevailing rate not to exceed eight (8) hours per day within the work week. The exceptions to the above shall be that if an employee is terminated after having worked after the end of the normal working day, the Employer shall have the right to pay the employee the following day without penalty at the employee's local Union Office the next work day. If an employee working under this provision so request, he will be given his pay for the straight time on this day, the overtime to be paid as noted above.

B. When employees are discharged or laid off they shall be paid in full on the job immdiately and if required to go to some other point or to the office of the Employer to be paid, they shall be paid waiting time, not less than one hour's pay, at the prevailing rate, to be added to the amount due. When employees quit of their own accord they must allow the Employer sufficient time to prepare their pay, not to exceed twenty-four hours, exclusive of Saturdays, Sundays, or Holidays.

C. Any undue delay or loss of time resulting from the Employer's failure to comply with the sections of this Article shall be paid for by the Employer at the prevailing rate and shall not exceed eight (8) hours per day or forty hours per week.

D. The Employer will furnish the employee at the time he is paid with a statement or a detachable stub showing the hours worked, both straight time and overtime, the straight time rate of pay, the gross wages, the amount and purpose of each deduction and the net wages. Deductions which may be combined under federal regulations may be shown as one deduction.

E. Employees shall be paid in United States currency or with payroll checks.

F. Any Employer whose payroll checks prove to be uncollectible due to insufficient funds, will be required thereafter to pay in cash.

ARTICLE 19 - UNION REPRESENTATION

A. Business representative shall have access through established procedures to the job for the purpose of transacting business in connection with the job, but will not interrupt employees during working hours.

B. Stewards

1. A steward may be selected on each job by the business representative. The steward or his appointee shall be on the job during all working hours when work of the trade is being performed on the job. A steward shall be journeyman of the trade and must perform the work for which he was hired. The Contractor's superintendent of the job must give the business representative's office notice prior to discharging a steward. The steward shall confine his steward's activities to the job of the Contractor or sub-contractor on the job which he is employed.

2. A steward shall represent the Union and perform his duties without loss of regular pay.

3. No steward shall be removed or discharged for carrying out his duties.

ARTICLE 20 - USE OF APPRENTICES

On a particular job, apprentices may be used in lieu of one third the number of oilers required. These apprentices shall not be subject to the provisions (A-B-A), provided that an operator shall not be displaced.

ARTICLE 21 - SPECIAL CRAFT PROVISIONS

A. When two or more engineers or apprentices are working on the same job, no engineer or apprentice is to be laid off and one of the other engineers or apprentices to take his place for the remainder of that day or shift.

B. When steam is required before the regular work day, a fireman shall raise steam but he must receive one hour's pay at the applicable overtime rate of pay. All regular work and boiler washing shall be done by the engineer and the fireman.

C. When equipment is operated before or after regular day hours or shifts or on Saturdays, Sundays, or Holidays, the employee assigned to such equipment during the regular day work or shift shall be given the opportunity to work the overtime, except in cases of emergency.

D. OILERS:

1. When an oiler or fireman performs the duties of a journey man operator (except under supervision of the journeyman operator regularly employed on the equipment and actually with the equipment), he shall be paid the journeyman operator's pay. Before the oiler or fireman begins to perform journeyman operator's duties, it must be reported to the Union that he is going to do so and approval from the Union obtained, except in case of emergency.

2. On all equipment other than that mounted on rubber tired tractors, there shall be an operator and an oiler on such crane (except tower cranes or jump cranes), power shovel, dragline, clamshell, crawler type backhoe, derrick barge, gradeall, Hydrocrane, HiHo trenching machines (eccept Ford, Ferguson, Jeep, and similar types).

3. Oilers assigned to a crane will be permitted to also operate up to three (3) pieces of small equipment from classification II, within a 300' radius of the crane.

E. MASTER MECHANIC:

1. The Employer may select master mechanics and assistant master mechanics from the operators in his employ within the area or through the Exclusive Referral Procedure.

2. All master mechanics shall be members of the trade and will be paid at a rate of 50¢ per hour more than the highest paid operator on the job.

3. All assistant master mechanics shall be members of the trade and will be paid at a rate of 25¢ per hour more than the journeyman operators rate.

4. When five (5) or more journeymen operators are employed on a job or a shift, a master mechanic shall be employed, who will not be required to operate equipment except in an emergency.

5. When twelve (12) or more journeymen operators are employed on a job or a shift, an assistant master mechanic shall be employed. An additional assistant master mechanic shall be employed for each additional fifteen (15) journeymen operators employed on the job or shift so that the ratio of assistant master mechanics to journeymen operators will be: 1 for 12 to 26, 2 for 27 to 41, 3 for 42 to 56, 4 for 57 to 71, etc. When more than one assistant master mechanic is employed on a job or shift, the assistant master mechanics will not be required to operate equipment except in an emergency.

6. For the purpose of determining the number of operators employed on a job or shift under this agreement, journeymen operators employed on equipment rented by the employer will be included whether or not they are employed directly by the Employer. Employees of subcontractors, master mechanics and assistant master mechanics will not be included.

F. UNIT OPERATIONS:

1. Equipment not requiring an additional operator shall be:
   - a. Two welding machines
   - b. One pump, three (3) inches or smaller
   - c. One air compressor under 125 CFM
   - d. Two light plants or generators five (5) horsepower or under
   - e. A junior engineer working on any combination of the above mentioned equipment shall be paid the junior engineer's rate of pay.
   - f. If there is a member of the operating engineer craft on that job, he shall operate the above equipment.

2. Junior engineers, when assigned to a crane, may be permitted to operate three (3) pieces of small equipment within a 300' radius, including welding machines and compressors.

3. Junior engineers not assigned as an oiler or oiler-driver may operate up to five (5) pieces of small equipment on a particular job.

4. A journeyman operator may be assigned to small equipment and permitted to operate six (6) to ten (10) pieces of equipment in Classification II within a 400' radius on the job.

G. Employees shall continue to be paid during meal periods when operating a piece of equipment which is servicing a craft during the lunch period.

H. On a job that warrants operating engineer parts storage, the storage of all spare parts for equipment covered by this contract, after its initial checking in upon arrival on the jobsite, shall be handled under the direct control and supervision of operating engineers.

I. Employers shall provide at least one garage-type building or shop of sufficient size for employees on job sites large enough to require a master mechanic, unless the Employer has a central garage or shop.

J. On jobs where a Grade Foreman is used, he shall be covered by this contract and shall receive $.25 per hour more than the journeyman rate.

K. Engineers or apprentices employed on jobs to run engines and fire or oil shall not be called upon to do any work other than recognized as properly belonging to an engineer or apprentice.

L. Employers shall furnish suitable shelter to mechanics making on-site repairs.

M. Operators will be permitted to change from one machine to another on the same job during the day or shift, and may return to the piece of equipment originally assigned to that day or shift, but will not be required to make any further changes in the day or shift (A-B-A), except in case of emergency.

N. Chipper's goggles, welder's goggles, welder's shield, hard hats, rubber boots, rubber gloves, rubber aprons, safety belts, life lines, life nets, life preservers, jackets, respirators and such other protective equipment and/or clothing when made necessary by the type of work being done, shall be furnished, maintained in serviceable condition and made available to employees by the employer without charge to the employees.

O. Goggles, respirators, boots and other protective equipment shall be properly cleaned before being issued to employees.

P. It is not a violation of this contract for employees covered hereby to refuse to cross a legal picket line established by any labor organization.

Q. A journeyman mechanic, with tools, shall receive $.50 per hour above the journeyman operator rate of pay.

R. Employees shall not be required to submit to a pre-employment medical examination unless required by law or governmental regulations.

S. Employees injured on the job shall be paid at the applicable rate for the whole day or shift on which they were injured, if they neither work the rest of the day or shift or are medicallly instructed not to work the rest of the day or shift.

T. Under the direction of management, the job master mechanic shall be in full charge of employees on the job covered by this agreement.

U. Whenever two (2) or more journeymen operators in a group regularly supervised on a job by a master mechanic work, the master mechanic shall also be permitted to work at the applicable rate.

V. This agreement shall be identified as the Operating Engineers Craft Agreement and shall constitute the whole of the agreement between the parties governing their entire relationship with respect to those items properly subject to collective bargaining between these parties, except work covered by tank, pipe line, and/or highway and heavy agreements should the contractor be or become a party to such an agreement.

W. The Union in particular takes cognizance of the fact that the Employers in their hiring, are subject to the provisions of the Equal Employment Opportunity Act and may, from time to time and on particular jobs, be subject in their hiring practices to the provisions of President's Executive Order 11246 and future similar government regulations concerning employment practices. In the event an Employer's continued use of the provisions of Section 1 of this Article in the hiring of employees be questioned by either the Equal Employment Opportunity Commission or Office of Federal Contract Compliance or any other authorized governmental regulatory body, or is held to be or in conflict with the provisions of any of the aforementioned regulatory bodies, and should the Employers or any of them be ordered or agree to hire additional and/or new employees in a fashion different from and without observance of the provisions of Section 1 of this Article, compliance by any Employer with such instructions shall not be deemed under any circumstances to be a violation of this Agreement. Further, the Employer shall not be required to institute legal proceedings or subject himself to any legal proceedings by or against the aforementioned regulatory bodies and shall, as a part of this Agreement, be allowed to conform with instructions and/or requirements of any said regulatory body.

The Employers shall keep the Union fully advised of any demands or directives by any governmental agency or of any suits filed against them arising out of or in relations to the Employer's hiring practices and/or use of the referral system.

The Employer shall furnish the Union with the name of any individuals employed in compliance with the aforementioned governmental regulations within seven (7) days following their employment. All such individuals shall be covered by sub-paragraphs (a) and (b) of this Section. Further, there shall be no discrimination by the Employer or the Union against any individual covered by this paragraph.

The provisions of Section 1 of this Article shall without further negotiation be modified to comply with hiring requirements, proposed by order of court, governmental regulations or contract documents containing governmental hiring requirements, provided however the Employers agree that under any circumstances they will continue to seek referral of required workmen from the Union to the extent that the Union is able to meet such hiring requirements, and to the extent otherwise required in this Agreement.

Section 1. Exclusive Referral of Employees:

To provide an efficient, competent and safe system of production in the construction industry, to eliminate the evils of casual employment, thereby securing a fair distribution of employment and a living wage to those workmen who must gain their livelihood from the industry to which they contribute their labor and to provide an orderly procedure of referral of applicants to employment, there is hereby established this plan or referral between the Lake Charles District, Associated General Contractors of Louisiana, Inc., herewith referred to as "Employer" and the International Union of Operating Engineers, Local Union No. 406, hereinafter referred to as "Union".

(a) Except for the minimum number of key men, the Employer shall notify the Union of its needs for all other workmen and shall not recruit applicants directly or hire additional persons not referred by the Union.

(b) The Employer in requesting referrals shall specify to the Union the number of employees required, the location of the project, the nature and type of construction involved, the work to be performed, and such other information as is deemed essential by the Employer in order to enable the Union to make proper referral of applicants.

(c) Registration and selection of applicants for referral to jobs shall be on a non-discriminatory basis and shall in no way be affected by Union membership, by-laws, rules, regulations, constitutional provisions or any other aspect or obligation of Union membership policies or requirements.

(d) The Employer reserves and shall have the right to accept or reject any applicants referred by the Union or to discharge for cause any employees who have been accepted but who subsequently prove unsatisfactory.

(e) The Union shall maintain a list of persons available for employment.

(f) Registration and referral of applicants shall be in accordance with the following plan. The Union shall register all applicants for employment on the basis of the Groups listed below. Each applicant shall be registered in the highest priority group for which he qualifies.

GROUP A

All applicants who have worked as Operating Engineers for the past four years and have been employed for a period of at least one year during the past three years by Employers in the industry.

GROUP B

All applicants for employment who have worked as Operating Engineers for the past three years, and have been employed for a period of at least six months within the past three years by Employers in the industry.

GROUP C

All applicants for employment who have worked as Operating Engineers for the past two years or more.

GROUP D

All applicants for employment who have worked as Operating Engineers for more than one year.

(g) The Union shall maintain each of the separate Group lists set forth above which shall list the applicants within each Group in the order they registered as available for employment.

(h) The Union shall refer applicants to the Employer by first referring applicants in Group "A" in the order of their places on said list and then referring applicants in the same manner successively from the list in Group "B", then Group "C", and then Group "D". Any applicant who is rejected by Employer shall be returned to his appropriate place within his Group and shall be referred to another Employer in accordance with the position of his Group and his place within the Group. Upon a registrant being referred for employment and actually employed on a job more than forty (40) hours, such registrant's name shall be removed from the list until such time as his employment has been terminated, at which time he shall be registered at the bottom of he appropriate list under which he is entitled to be registered. If a registrant, upon being referred in regular order, refuses to accept the referral, such registrant's name shall be placed at the bottom of the appropriate list under which he is entitled to be registered.

(i) No apprentices signatory to an apprenticeship agreement shall be eligible to work in an operating engineer craft, nor use the referral procedure of Local 406 in any capacity other than as apprentice, within the jurisdiction of the Operating Engineers Local 406 State of Louisiana Apprenticeship and Educational Training Program, until such time as he completes the apprenticeship training program and is certified as a qualified craftsman in said trade.

(j) The order of referral set forth above shall be followed except in cases where Employers require and call for employees possessing special skills and abilities and except in cases where employers request employees previously employed, in which former case or the specific employee requested by name in the latter case, the Union shall refer the first applicant on the register possessing such special skills and abilities.

(k) Registration - Office Hours for the Week

The hours of registration, 130 W. 18th Street, Lake Charles, Louisiana, are from 7:00 a.m. to 3:30 p.m., excluding lunch hour which is from 12:00 noon to 1:00 p.m., Monday through Friday.

(l) Geographical Area Jurisdiction

The jurisdiction of Local Union No. 406 of Lake Charles covers the Parishes of Allen, Beauregard, Calcasieu, Cameron, Jefferson Davis, and Vernon.

(m) In the event that the referral facilities maintained by the Union are unable to fill the requisition of Employer for the Employees within a twenty-four (24) hour period after such requistion is made by the Employer (Saturdays, Sundays, and Holidays excepted), the Employer may employ applicants directly at the job site. In such event, the Employer will notify the Local Union of the names and dates of such hirings.

(n) The Union, its officers, agents and representatives will make every effort reasonable to locate an applicant on the current applicable referral list who is not physically present in the Union Hall when referrals are made pursuant to a request of the Employer.

(o) The Union shall require all job applicants who have not previously registered to submit a resume' of experience and qualifications in order to determine their proper Group and whether they are qualified to perform the various requisite skills of the craft and thereby be eligible for registration and/or referral.

(p) In the event any job applicant feels he is aggrieved, with his failure to qualify for registration, or with his Group classification, or with his order of referral, he may within ten (10) days following the occurrence of the event which constitutes the basis for the grievance, file, with the person in charge of the registration and referral office, a written statement of the grievance clearly and specifically setting forth the wrong or violation charge. An Appellate Tribunal consisting of an Employer Representative, a Union Representative, and an Impartial Chairman appointed jointly by the Employer and Union, shall consider the grievance and render a decision, which shall be final and binding. The Appellate Tribunal is authorized to issue procedural rules for the conduct of its business, but it is not authorized to add to, subtract from, or modify any of the provisions of this system and its decisions shall be in accord with the system.

(q) The Employer and the Union shall post in appropriate places, where notices to employees and applicants are customarily posted, all provisions relating to the hiring arrangement set forth in this agreement.

ARTICLE 22 - WAGE RATES

Effective first full payroll period on or after dates shown:

	07-23-82	11-01-82	05-01-83	11-01-83
Journeyman Engineers	15.00	15.42	15.91	16.40

Classification I

Asphalt Plant Operator
Asphalt Spreader
Backhoes (all types)
Boom Trucks
Bulldozers
Bull Floats
Bush Hog
Cable Ways
Cherry Pickers (all types)
Concrete Mixers (over one sack)
Concrete Pump
Concrete Saw
Concrete Spreader
Cranes
Deck Winches
Derricks
Distributors
Ditching or Trenching
  Machines (Riding Type)
Dowel Bar Machine
Draglines
Dredges
Elevator Operator
Finishing Machines
  (Roadway, Riding, Type)
Fork Lifts (other than farm-
  type outside warehouse)
Foundation Drill
Front End Loaders
Grease Service Man
Hoists
Locomotives (all types)
Mechanic
Mixer Plant Operator (Central Mix)
Motor Patrols
Motorized Street Sweepers
  (self propelled)
Pile Drivers
Pull Cat
Pump (3"and over)
Push Cat
Road Pavers
Rollers
Scrapers
Shovels
Sidebooms
Test Pump - Internal Combustion
  Engine Powered
Tower Cranes
Welder Journeyman
Well Point System
Whirleys
Winch Cats
Winch Truck With A-Frame
Work Boats

	07-23-82	11-01-82	05-01-83	11-01-83
Junior Engineers	10.61	10.86	11.21	11.56

Classification II

Batch Plant Operator
Compressor
Ditching or Trenching
  Machine (non-riding type)
Fireman
Generator or Light
  Plant over 5 h.p.
Mechanic Helper
Mixers (1 sack & under)
Oiler
Oiler-Compressor Operator
Oiler-Driver on Motor Crane
Oiler-Fireman
Pump (under 3" suction)
Scale Operator
Water Blast Pump
Welding Machine

	07-23-82	11-01-82	05-01-83	11-01-83
Health & Welfare	.65	.90	.90	.90
Pension	1.20	1.20	1.35	1.50
Apprenticeship	.10	.10	.10	.10
Working Dues Check-Off (Deduction)	1% of Gross Wages			
Vacation Fund (Deduction)	-	.50	.50	.50

The scale of wages for apprentice operating engineers shall be the following percentages of the journeyman operator rate:

1st 6 months - 40%
2nd 6 months - 45%
3rd 6 months - 50%
4th 6 months - 55%
5th 6 months - 70%
6th 6 months - 75%
7th 6 months - 80%
8th 6 months - 90%

CRANE OPERATOR:

CAPACITIES	Cents per hour above Journeyman Operator Wages
60 tons and over	$ .25
100 tons and up to 125 tons	.50
over 125 tons up to 200 tons	.75
over 200 tons up to 300 tons	1.00
over 300 tons	1.50

All operators on equipment with booms lengths, including jib, and pile driving rigs with hammer leads lengths, as indicated below, shall receive a rate of pay, as indicated below, on a cents per hour basis above the journeyman operator wages as set out herein. The additional rate of pay for derrick and tower crane operators shall be determined by the distance from the ground level upon which the machine is setting to the point of boom or jib.

CRANE OPERATOR:

LENGTHS	Cents per hour above Journeyman Operator Wages
Boom 100' and over but less than 150'	$ .25
Boom 150' and over but less than 225'	.50
Boom 225' and over but less than 300'	1.00
Boom 300' and over	1.50

ARTICLE 23 - FRINGE BENEFITS

A. Central Pension Trust Fund: The Employer will contribute one dollar and twenty cents ($1.20) for any straight or overtime hour due under the terms of this Agreement into the Central Pension Fund of the International Union of Operating Engineers and Participating Employers. Effective the first full payroll period on or after May 1, 1983, the Employer will contribute one dollar and thirty-five cents ($1.35); and effective the first full payroll period on or after November 1, 1983, the Employer will contribute one dollar and fifty cents ($1.50) for any straight or overtime hour due under the terms of this Agreement.

B. Health and Welfare Trust Fund: The Employer will contribute sixty-five cents ($.65) for any straight or overtime hour due under the terms of this Agreement into the International Union of Operating Engineers and Pipe Line Employers Health and Welfare Fund. Effective the first full payroll period on or after November 1, 1982, the Employer will contribute ninety cents ($.90).

C. Apprenticeship Training Trust Fund: The Employer will contribute ten cents ($.10) for any straight or overtime hour due under the terms of this Agreement into the Operating Engineers Local 406, State of Louisiana Apprenticeship and Educttional Training Program.

1. Contributions to the funds described above shall be made only during such periods of time said funds qualify as tax-exempt trusts under the provisions of Section 401 of the Internal Revenue Code and the contributions constitute income tax deductible expense for the Employer and do not constitute a portion of the "regular rate " under the Fair Labor Standards Act.

2. In the event contributions are discontinued or if the membership of the Union fails to approve the health and welfare, pension and apprenticeship contributions, the amount of said contributions will be paid as wages to employees.

3. After ratification by the membership of the Union, upon joint request by Labor and Management trustees of the funds, and upon sixty (60) days written notification to the Employers, the Union may elect to divert any portion of the agreed future pay increments to the health and welfare and/or pension funds.

4. The Union agrees that in the event any of the trust funds to which the Employers contribute are obligated to furnish trustees ceases or fails to provide insurance for the trust and trustees, and in the event the parties fail to provide insurance which does not provide for recourse, to the extent permitted by law, then if any trustee resigns thereafter, neither party will have any obligation to furnish a successor trustee.

D. Vacation Fund:

1. Each signatory Contractor shall, for each employee coming under the jurisdiction of the Union, deduct from each employee's pay, an amount equal to fifty cents ($.50) per hour work or paid, and shall transmit same to the Hibernia National Bank in New Orleans or to some other mutually agreed bank for the account of said employee. Remittance of these Vacation Funds shall be made in conformity by time and manner as is heretofore stated pertaining to remittance for Health & Welfare, Pension, and Apprenticeship Funds.

2. It is understood the Contractor shall compute and withhold Income Tax, Social Security, etc., based on the total wages including Vacation allowances and shall then deduct the full amount of the Vacation allowance for transmittal to the Bank.

3. As a condition of the Contractors' agreement to deduct and transmit the Funds herein provided for, it is understood and agreed that the Trust Department of the Bank will hold the Funds and distribute the Funds to each employee on whose behalf the payments and deductions are made, on or about December 1st of each year, subject to the addition of his pro rata share of the income earned, if any, to the deduction of his pro rata share of these expenses, contingencies and other ordinary charges and reserves of the Bank made necessary by reason of its assumption of the obligation described herein.

4. The Union agrees to hold the Contractor harmless from any and all loss, cost, expense, or liability of any nature whatsoever arising out of the compliance by the Constractor with the provision of this Article.

5. Effective the first full payroll period on or after November 1, 1982, each signatory Contractor shall, for each employee coming under the jurisdiction of the Union, deduct from each employee's pay, an amount equal to fifty cents ($.50) per hour work or paid.

ARTICLE 24 - DIVERSION OF WAGES TO FRINGE BENEFITS

A. Any portions of a future wage increase may be diverted from the wage increase to an established fringe benefit provided notification of request is presented by the union sixty (60) days prior to the effective date of the wage increase that is to be diverted.

B. In all Locally Administered trust funds which the Employer is required to contribute into under this agreement, the trustees shall not increase benefits provided by the fund at any time that such increase in benefits would create or increase the unfunded liability of the fund as attested to by the fund's actuary.

ARTICLE 25 - WORKING DUES CHECK-OFF

A. The Employer agrees to withhold working dues from the net wages of each employee who has given the Employer written authorization an amount as shown in Article 22 on a cents per hours worked or percentage basis. The working dues check-off shall be administered in the following manner:

1. The Union will provide to employees, the legal form required for the individual employees to grant approval for the dues check-off deduction.

2. When employee presents such form to the Employer, then paragraphs 3 through 6 shall be applicable.

3. For every man hour worked by employees, whether straight time or overtime hours, the amount of cents per hour or percentage as shown in Article 22 shall be withheld by the Employer from the employee's wages.

4. The Employer shall accumulate such funds on a calendar month basis.

5. The payment of such funds are due and payable on the 15th of each following month.

6. The Union will provide each Employer with appropriate printed forms on which to make the report, and this completed form will accompany the payment check.

ARTICLE 26 - SAVINGS CLAUSE

It is not the intent of either party hereto to violate any laws or any rulings or regulations of any governmental authority or agency having jurisdiction of the subject matter of this Agreement, and the parties hereto agree that in the event any provision of this Agreement is held to be unlawful or void by any tribunal having the right to so hold, the remainder of the Agreement shall remain in full force and effect unless the parts so found to be void are wholly inseparable from the remaining portions of this Agreement.

ARTICLE 27 - DURATION OF AGREEMENT

This Agreement shall be effective on May 1, 1982 wages to be effective on all work as outlined under Article 22 herein, and the entire Agreement, wages and all other Articles, to continue in full force and effect through the full payroll period including the 30th day of April, 1984; and shall continue in force from year to year thereafter unless either party, at least sixty (60) days prior to any anniversary date thereof, notifies the other party in writing of its desire to modify or terminate this Agreement

WHEREFORE, the undersigned parties through their designated representatives have executed this Agreement on this 6th day of OCTOBER, 1982.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 406
LAKE CHARLES DISTRICT

Willard S. Carlock Sr BA
Willard S. Carlock, District Agent

Peter Babin III
Peter Babin, III, Business Manager

LABOR COMMITTEE, LAKE CHARLES
DISTRICT, ASSOCIATED GENERAL
CONTRACTORS OF LOUISIANA, INC.

Joe T. Miller
Joe T. Miller, Chairman

Elmer Ruhnow
Elmer Ruhnow

John McGraw III
John McGraw, III

Hudson East
Hudson East

Lewis S. Paxton
Lewis S. Paxton

Harold Heath
Harold Heath

D Allan Collette Jr.
D. Allan Collette, Jr.

Carl L. Ivey
Carl Ivey

Jack Sibley
Jack Sibley, Manager

APPENDIX "A"

American Erectors, Inc.
American Fabricators, Inc.
Augenstein Construction Co., Inc.
Bartley, Inc.
Bi-Co Pavers, Inc.
Boh Brothers Construction Co., Inc.
Buck's Welding & Steel Erection, Inc.
Coastal Industrial Constructors, Inc.
Collette Construction Co., Inc.
Hudson East Construction, Inc.
Gray-Con, Inc.
R. E. Heidt Construction Co., Inc.
Hyatt Construction Co., Inc.
Industrial Construction Co., Inc.
Ivey Construction Co., Inc.
H. H. Knapp, General Contractor, Inc.
LRM Company, Inc.
Linbeck Construction Corp.
Robert W. Martin, Inc.
Massman Construction Company
Charles Miller Construction Co., Inc.
F. Miller & Sons, Inc.
Nichols Construction Corp.
Petro-Chem Construction Corp.
Port City Construction Co., Inc.
Mike Queenan Equipment Co., Inc.
Realco, Ltd.
Sline Industrial Painters
Southern Builders, Inc.
T & P Iron Works, Inc.
Tudor Construction Company
Vincent's Construction, Inc.
H. J. Yennie, Inc.

Ms. **Blackwell**. I tried to invoke this contract in January of 1982. I rented a shop building in Sulphur because Mr. Carlock kept telling me that if I didn't quit trying to get rid of Scimemi, he was going to make me build a permanent shop at Hackberry.

I had met Tracy Willard, and we were impressed with his capabilities, and Tracy was, I understood, at the top of the hiring hall list. So this was for a separate operation, mind you—this was 25 miles away in Sulphur. So I called the hall and requested that Tracy Willard be my master mechanic at the shop in Sulphur, and Carlock refused me.

So I went down to the hall. Jerry Youngblood went with me. I faced him (Carlock) with the contract in my hand. I said, "It says right here I have a right to this." And he said, "I don't care what that contract says; it is what I say that matters."

The **Chairman**. Well, was anybody at that meeting with you at the time?

Ms. **Blackwell**. Yes, sir. Mr. Youngblood was there, and he affirms that in his affidavit.

The **Chairman**. Let's put his affidavit in the record at this particular point as Blackwell exhibit No. 10.

[Material to be supplied follows:]

Blackwell Exhibit #10

STATE OF TEXAS
COUNTY OF Jefferson

BEFORE ME, Notary Public, in and for the County and State aforesaid, came and appeared:

Jerry Youngblood

who, upon oath, duly declared and affirmed as follows:

I, Jerry Youngblood, am employed by Mar-Len, Inc. of Nederland, Texas as General Field Superintendent. In this capacity I am directly in charge of all heavy equipment and oversee all projects on which Mar-Len's heavy equipment is utilized. Since Mar-Len equipment is provided to Mar-Len of Louisiana projects, I also serve as General Supervisor of Louisiana jobs. In this capacity I became well-aquainted with the circumstances of the West Hackberry SPR project and the Maplewood Drive project.

In my position, I was directly responsible for furnishing and/or approving all heavy equipment for the West Hackberry project. I also served in a Supervisory/Advisory capacity to Ann Malinowsky Blackwell, Project Manager at West Hackberry. I talked to Ann by telephone several times a day and visited the Hackberry site about once a week. Ann Blackwell and I have worked closely on several projects during the last several years, and, as is usual procedure, she kept me aware of project progress and problems - specifically operator and/or equipment problems since that is my area of expertise.

I have been an operator out of IUOE 450 in Texas for 28 years, am classified as a Master Mechanic and have been employed by Mar-Len for about 10 years under the direct supervision of Len Malinowsky, President.

In 1979, Mar-Len got a job with Department of Energy at St. James, La.. I met with and signed agreements with several Local Unions in the Baton Rouge Area. One was Paul Hernandez, Local 406 Business Agent for the Baton Rouge Area. We were treated as fairly and equally through that Local as we are in our Texas Locals. After the Baton Rouge Job was over I personally wrote a letter to Mr. Hernandez expressing my appreciation for a job well done.

I am extremely familiar with Hiring Hall procedures as well as Mar-Len's general policy and Ann Blackwell's management ability. I can honestly state that I have never observed an Operator's Local that operated with the "Henchman" tactics of Lake Charles, 406, have never seen Mar-Len be forced to submit to such tactics before, and certainly have never known Ann Blackwell to give in on a fight.

I know for a fact that she did not willingly give in to Willard Carlock - (406 Business Agent), Mike Scimemi - (the Master Mechanic 406 assigned to Mar-Len at West Hackberry) or Tri-Coast. I observed several extremely heated arguments between Ann and Scimemi and Carlock, and finally told Ann to just back down, as I was afraid that Carlock or Scimemi would have her hurt or killed. As a matter of fact, in about August or September of 1981, I asked Ann to consider leaving the job because of the (I felt) physical danger to her. She refused, stating that there was no one else who could run it because anyone we brought in would be either "bought off", intimidated or killed. I had to agree, but I did tell her to try to make some sort of peace with Carlock as I did not feel the job was worth her life.

Since she consulted me daily, I knew that she tried in every way to get along with Carlock anad Scimemi, but it became obvious that the only thing that would satisfy them was to let them have a free hand and "run" the job. Mar-Len was in a classic "Damned if you do - damned if you don't" situation. To fight the operators meant the equipment breakdowns and various slow-down tactics that we were undergoing but to give into them meant complete economic disaster. We tried to compromise by giving in enough to keep the job going, but doing our best to control the situation. I never saw - or heard of - any efforts of Parsons-Gilbane to help in any way with the labor situation. At times when we were shutdown because the operators had walked off the job the only thing they would say is "Why aren't you working?".

Since Owens had dealt with Carlock for pre-job and so-on, my first indication of what Mar-Len was in for was the day Scimemi arrived at Hackberry as our Master Mechanic in July, 1981. Up until that time Owens had an arrangement where a Tri-Coast Master Mechanic kept up our equipment. The day Scimemi arrived, Ann called me and said we had "a crazy person for a master mechanic". She was concerned because Scimemi had threatened to bash Mar-Len Superintendent's, James Smith, head in with a hammer. Scimemi had evidently gotten quite violent for no apparent reason. I went to Hackberry had a heart-to-heart talk with Scimemi and left thinking that I'd staightened things out.

Almost immediately equipment breakdowns increased. They soon got ridiculous, I'd send a piece of equipment that was running when I loaded it and it was broken by the time Scimemi unloaded it. Some of the so-called broken equipment I would bring back to Texas and put it to work immediately without repairs. Ann called me several times about the trackhoe (Mar-Len's) we were digging the main ditch with. She said that the operators kept complaining that it didn't "work right". I knew it was a good machine, but I went to Hackberry to see for myself - the hoe worked fine. Ann called one day and asked what on earth ws so wonderful about a Cat 225 (Trackhoe). I said that I was not going to rent a Cat hoe for that job because our hoe was sufficient if the operators would just run it. She said that all the operators were saying they needed a Cat 225 for production.

Meanwhile the equipment breakdowns got even worse - there were days when every piece of Mar-Len equipment was broken and I was constantly sending parts and replacements.

Finally, a few days after the Cat 225 conversation Ann called and told me that she had heard that the only way we could keep working equipment was to rent Carlock's equipment. But she didn't understand what that meant.

I told her to very casually ask Scimemi wheare a Cat 225 could be rented - if we just happened to need one. She did and Scimemi told her he thought Tri-Coast had one.

They did. I "let" Scimemi rent it and some other Tri-Coasat equipment and that's the only way we were able to work.

I was at the Holiday Inn in August for the Maplewood Pre-Job. Earlier that morning I had told Ann that Carlock would be there and she said she was going to come in and ask Carlock to replace Scimemi. She did and I observed thae conversation, although I wasn't part of it. Of course, he did not remove Scimemi.

Owens indicated to me on several occasions that he ahd an "in" with Carlock. Once he said - in reference to Carlock - "I have the key". A few weeks before he left Mar-Len (Dec, 1981) he told me he had hoped to stay until Maplewood Drive was finished because he'd "hate to see Mar-len have all those labor problems on the Maplewood Project".

In the Summer of 1981 Mar-Len was doing a job for Sabine Wildlife in Hackberry. Our Inspector Mr. Terril Hamil ask me if we wanted to bid on some additional work there. I said surely. Some time after we finished the job I drove by and saw Tri Coast doing the work. I stopped at the Headquarters and asked the Superintendent there where Mr. Hamil was and why we didn't get to bid on the job. He said Mr. Hamil was back in Alabama and that Bob Owens had picked up the plans for us to bid the job. I came back to Texas and ask Mr. Malinowsky if he had seen any plans from Sabine Wildlife. He said no.

.When Owen left Mar-Len in Dec., 1981, the Hackberry operators began slow-walking the project - openly and deliberately. We knew from previous experience that we could not fire or lay-off operators without a shut-door. Ann tried to fire Scimemi on many occasions but he would not accept a check, the Hall officials would not answer our calls and the project would immediately be damaged in some way - usually a underground electrical cable cut. I did order Scimemi, Jr. fired for a safety violation once - and all the operators "got sick". They were well as soon as Jr. was rehired.

In January, Mar-Len moved the Sulphur Office to a building that had a shop area. We decided to hire Tracy Willard (Ex 406 Business Agent) as shop mechanic and send all Hackberry Equipment to Sulphur Shop for repairs. That way, we hoped to control the sabotage since Tracy Willard would inspect the damage and supervise repairs and transport to Hackberry. Tracy Willard and Carlock openly disliked each other and Scimemi would not have dared to sabotage equipment that Tracy (member of the 406 executive board) was in charge of.

Carlock refused us the right to hire Tracy through the Hall. I was at the Hall the day that Ann requested Tracy Willard. She pointed out the contract language and Carlock said it didn't matter what the contract said, it was what he said that mattered.

We hired Tracy Willard anyway,as Equipment Superintendent. His job was to literally watch every move Scimemi made to keep him from further sabotage. Tracy "babysat" Scimemi and breakdowns lessened but even Tracy could not stop the "slow-walk" completely.

Ann and I plotted in secret to replace the operators without causing a job shut-down or a killing. We found a sub-contractor - F.D. Shay - (who was also a member of the 406 executive board) who was willing to sub the completion of the dirt work from us. Shay had worked for us previously and I knew he was competent and that Carlock did not cross him.

We sent all Tri-Coast equipment back, layed-off Scimemi and the operators and Shay moved in. Carlock would not man Shay's Job! It was a complete stalemate. After a week or so, Shay gave up and pulled out. Carlock sent operators to Mar-Len, but told them not to work without a Master Mechanic. And, of course, the Master Mechanic he sent was Scimemi. Ann wouldn't let him on the job. This went on for about 3 weeks in all, and cost Mar-Len thousands of dollars for idle equipment, pay to operators that were forbidden to work, and lost productivity. I called a friend of mine J.T. Haine with International IUOE. He came down and we talked to Carlock. Carlock said he would replace Scimemi only if Mar-Len replaced Ann. She was "forbidden" by Carlock to call or go to the Hall. We decided she would stay, and, with J.T.'s help, Scimemi was finally replaced.

In summation, I can honestly state that in regard to the Hackberry Project, Mar-Len was forced by Willard Carlock, Bob Owens, Mike Scimemi, and Garland Davidson to rent equipment from Tri-Coast. Mar-Len epuipment was sabotaged by Scimemi and Scimemi was not in fact a Master Mechanic. He was Willard Carlock's henchman. The atmosphere of the entire project was one of conspiracy and the threat of physical harm to Mar-Len personnel was mostly implied - but very real.

I have read O.T. Fisher's statement concerning the Maplewood Project and can verify his statements. Since Ann Blackwell reported to me daily, I can verify most of her statements. I know both Ann and O.T. to be honest, truthful, and capable in their fields.

I swear that all I have stated here is the absolute truth to the best of my ability to recall the circumstances.

Jerry Youngblood

Subscribed and sworn before me this 18th. day of January 1984

Joyce Dagnik
Notary in and for Jefferson
County, Texas

My Commission Expires 8-5-85

The **Chairman**. You couldn't hire Tracy Willard as your master mechanic?

Ms. **Blackwell**. No, sir.

The **Chairman**. Mr. Carlock wouldn't permit you to do so?

Ms. **Blackwell**. No, sir. I couldn't hire any——

The **Chairman**. He wouldn't permit you to do so?

Ms. **Blackwell**. No, sir. Not through the hall, so to speak.

The **Chairman**. He just said that he wasn't going to abide by the contract?

Ms. **Blackwell**. No. He said absolutely not. So I went ahead and offered Tracy a job as company personnel equipment superintendent. That was his title. Actually, all he did was go out to Hackberry and babysit Mike Scimemi to try to prevent further sabotage of my equipment and cable cuts and try to get some production, because they were openly slow-walking the job by then.

The **Chairman**. So even though you had Tracy on the job and he was checking up on Scimemi, the equipment kept breaking down and kept being sabotaged?

Ms. **Blackwell**. Well, Tracy helped quite a bit, but when you've got 15 operators, and you have to consider I laid 10 miles of pipe on this job, so we are talking about extensive areas to cover. There wasn't anything he could do about getting any production out of them.

So it helped some, but after a month or so, even Tracy admitted defeat. So at that point, I just wanted to finish and get out of there.

So I found a subcontractor. He was a 406 member who had been in business for a while. I negotiated a subcontract with him to finish all the underground——

The **Chairman**. In other words, instead of finishing the job yourself, with your own equipment, with your own supervisors and work leaders, you had to get off the job because you threw in the sponge and you picked up another contractor who was acceptable to 406 and let them be a subcontractor to you to finish the job?

Ms. **Blackwell**. Well, I thought they were acceptable, but I found out that Mr. Carlock didn't like that, either, so what he did when I got the subcontractor out there and he moved all his equipment in—and, mind you, it was one of his own members—he wouldn't man his job, either.

The **Chairman**. So Mr. Carlock wouldn't allow 406 Operating Engineers to go out there and help him, the subcontractor, complete the job?

Ms. **Blackwell**. No, sir.

The **Chairman**. So what did you do then?

Ms. **Blackwell**. Well, I put up with it about 2 or 3 weeks, and I was going broke fast, so I canceled the contract with the subcontractor, and we decided to try to finish the job with the minimum of operators that we could, so I called the hall and I asked for operators back, and, of course, when you get to the fifth operator, you've got to have a master mechanic, and when I get to the master mechanic, in spite of whatever request I make, Carlock would send Scimemi.

The **Chairman**. In other words, you couldn't hire any of the operating engineers because they wouldn't come out unless you had to hire——

Ms. **Blackwell**. Oh, they were on the payroll. They just sat there on my payroll.

The **Chairman**. They just wouldn't work unless Scimemi——

Ms. **Blackwell**. That is right. Their orders were not to work.

The **Chairman**. So you are saying they came out to your job, they just sat there, and you paid them for doing nothing unless Scimemi was placed back on as the master mechanic.

Ms. **Blackwell**. That is right, and I wouldn't hire Scimemi back.

The **Chairman**. I see. Well, did you ever hire him back?

Ms. **Blackwell**. No, sir. This went on for about 3 weeks, and just about every day Scimemi would come to the gate, and I would either go to the gate or I would send somebody else to the gate, and I would say the same thing: "You are never going to set foot on a Mar-Len job again; I don't care what happens."

So during this time, we were really desperate. We were trying everything in the world to get this resolved, and like I said, we were going broke fast, but Jerry Youngblood found out the conditions from Willard Carlock, and the condition of replacing Scimemi was that my services be terminated, that I be removed from the job, and meanwhile, I was forbidden to call the hall; I was forbidden to go to the hall; I just wasn't his favorite person.

This went on about 3 weeks, and finally one day I just picked up the phone and I called Mr. Carlock and I said, "I've had enough of this." I said, "I want you to explain to me why you are deliberately trying to break a fair contractor. Why are you doing this to me?"

Of course, he denied he was doing anything." I have just tried to help you," and this and that. I said, "You've tried to help yourself to everything we've got." I told him that day exactly what he could do with Scimemi, and I said, "I don't care if I sit here forever and lose every penny we've got. I will not have Scimemi back on the job."

By this time Jerry, I believe, had contacted someone at International, and I guess they were afraid. I had attorneys sending telegrams and everything. Finally, I won and I got a decent master mechanic.

The **Chairman**. In other words, you finally did get a decent master mechanic, were able to complete the job?

Ms. **Blackwell**. Yes, sir. I got a decent master mechanic in March, and by mid-April we were substantially complete, which means that the punch list and details were left to go.

The **Chairman**. Mr. Youngblood in his affidavit says:

> The atmosphere of the entire project was one of conspiracy and the constant threat of physical harm to Mar-Len personnel was mostly implied, but very real.

Do you agree with that characterization, Ms. Blackwell?

Ms. **Blackwell**. Yes, sir. I will agree that a lot of the threats were subtle, but they weren't always.

For instance, I had a superintendent back at the beginning of the job that was kind of sent to me, and he seemed very competent, but Scimemi didn't like him, and Scimemi said Carlock didn't like him, and Scimemi told me to fire him, and I said, "I'm not going to fire my superintendent; he is a perfectly capable man." And he said, "Well, you don't understand. Carlock wants him fired."

I said, "Well, I don't really care. That is none of your business." This went on for about 3 weeks, and finally one day Scimemi said, "You don't understand. Either you fire him or we'll kill him."

The **Chairman**. He said that if you don't fire this man, we're going to kill him?

Ms. **Blackwell**. Yes, sir. That is exactly what he told me.

The **Chairman**. What was this fellow's name?

Ms. **Blackwell**. James Smith.

The **Chairman**. James Smith, and he was your employee, and you wanted him to work because he was a good employee who did the job?

Ms. **Blackwell**. Yes, sir.

The **Chairman**. And they just said, "You don't understand. If you don't fire him, we're going to kill him."

Ms. **Blackwell**. That is exactly right. I thought about it, and I couldn't very well sit around and explain to his wife and kids if it happened that I just wanted to see if they'd really do it or not, so I sent him back to the Sulphur office.

The **Chairman**. I see. What happened then?

Ms. **Blackwell**. Well, I ran the job myself after that. My father, Jerry Youngblood, all the people that work with me, several times they were constantly worried that I was going to get killed because my tires were always getting cut. During this job my home was broken into eight times; my offices, my apartment. There was one time I was in my car and I was shot at. It was just constant harassment.

At one point, my father even called Carlock himself and told him. He said, "Let me warn you, nothing better ever happen to my daughter, because I'm 65 years old and that's my child." And Scimemi was to tell me at one point that that's the only reason why. He said, "We've done everything but kill you, but," he said, "we are afraid of your father."

The **Chairman**. They were afraid of whom?

Ms. **Blackwell**. My father.

The **Chairman**. Your father.

Ms. **Blackwell**. Yes, sir.

The **Chairman**. What do you estimate the total dollar loss from these equipment failures, the total slowdowns, the forced rentals, the overmanning of operations, the slashing of tires, the breaking into your apartment, the other things that you have described here today, on an on, what do you think the total costs here were?

Ms. **Blackwell**. Sir, the cost directly attributable that I can prove, or attributable to the operators and to Carlock and Scimemi, are $1 million. But that is not all the cost. There is another $1 million that was also lost because the Department of Enengy looked the other way; Parsons Gilbane did nothing. Whatever they did—they were the construction manager for DOE—they didn't help the matter any.

So you are looking at $2 million down the drain for no reason.

The **Chairman**. In interviews with my staff, you stated that you think Tri Coast was getting inside information on your bids for projects that they were competing with you, in other words, projects that they were competitors.

Ms. **Blackwell**. Yes, sir.

The **Chairman**. Could you elaborate on this a little bit?

Ms. **Blackwell**. Yes, sir. I was pretty well tied to the Hackberry site during this time, and since my construction management efforts weren't making any money, the smaller projects out at West Hackberry I was bidding on—MACO, little civil dirt work projects.

Well, that was Tri Coast's field, too, so we were usually direct competitors. You know, there is such a thing as sanctity of the bid. That is supposed to be a very secret thing.

The **Chairman**. Yes.

Ms. **Blackwell**. And yet when I turned in my bids, Scimemi always knew my bid price before it was made a matter of public record. They were private bid openings, but he always knew the bid price.

The **Chairman**. He always knew the bid price in advance?

Ms. **Blackwell**. Certainly. He had inside information.

The **Chairman**. I think Jeff Creel mentions that in his affidavit, doesn't he?

Ms. **Blackwell**. Yes, sir. Jeff witnessed that several times, and so did I, and Mar-Len's secretary at our Sulphur office, she also came across things to indicate that they had inside information.

The **Chairman**. Well, let's put—what is it, Hoffpauir?

Ms. **Blackwell**. Yes, sir; Joan Hoffpauir.

The **Chairman**. Joan Hoffpauir's affidavit. Let's put that in the record as Blackwell exhibit No. 10–A.

[Blackwell exhibit No. 10-A follows:]

Blackwell Exhibit No. 10-A

STATE OF LOUISIANA
PARISH OF CALCASIEU

BEFORE ME, Notary Public, in and for the Parish and State aforesaid, came and appeared:

Joan Hoffpauir

who, upon oath, duly declared and affirmed as follows:

In June, 1981, I was hired as secretary by Bob Owens, who was at that time Chief Construction Executive of Mar-Len of Louisiana, Inc.. I worked at the Mar-Len office in Sulphur with Bob Owens. At this time Mar-Len had a large project in Hackberry but my association with the Hackberry Project was very limited because the Hackberry Job had it's own office on site that was managed by Ann Malinowsky Blackwell. Ann, I understood, was president of Maco of Louisiana, Inc. (Maco's office was next to Mar-Len's in Sulphur) but was running the Hackberry Project for Mar-Len since Bob Owens had had a heart attack. I had been warned by Bob Owens to have as little contact with Ann as possible and since she stayed on the Hackberry Job. I very seldom saw her or spoke with her.

During the Summer of 1981, It became obvious to me that Bob Owens had a very close association with Tri-Coast, a company that was sub-contracting part of Mar-Len's Maplewood Drive Project in Sulphur. The Maplewood Drive Project started about August. Bob Owens was in charge, but O.T. Fisher was the on-site Foreman and Jerry Youngblood (of Mar-Len in Texas) was also in charge since he handled all Mar-Len equipment.

Garland Davidson (president of Tri-Coast) and Bob Owens were constantly together or in touch with each other. Bob did not spend very much time at the Mar-Len Office and if I needed him I could usually reach him at Tri-Coast Office. If he wasn't at either office, Garland Davidson called for him constantly. I have telephone message records that verify the constant communications between Bob Owens and Garland Davidson.

I was to eventually hear Bob Owens identify himself (on the Mar-Len phone in the Mar-Len Office) as representing Tri-Coast. Bob placed and recieved calls for Tri-Coast and it became apparent he was requesting quotes from suppliers in order to bid projects, apparently for Tri-Coast - while working for Mar-Len. But at the time I didn't really realize what his actions meant and was mainly puzzled and confused by them. James Smith, who worked for Mar-Len in the Sulphur Office from about June to August of 1981, was also puzzled by the Bob Owens and Tri-Coast association and commented on it many times.

I was in charge of payroll and O.T. Fisher picked up the Maplewood Drive checks from me. I knew from what he told me that he had female oilers on Maplewood Drive that never came to work. Sometimes, these oilers would not pick up their checks on payday and O.T. Fisher would return the check to me. I asked Bob on several occasions what I should do with checks for Margaret Barnes or Renee Mancuso (two of the female oilers) since they had not picked them up and Bob took the checks saying he'd give them to Garland Davidson.

In November of 1981, Bob was awayfrom work for several days. I recieved a phone call from Don Warren of Petro Con. He wanted a purchase order number for some estimating he had done for Mar-Len. It seemed strange to me because Mar-Len did their own estimating. Ann came into the Sulphur Office and I asked her about Petro-Con. She also thought it was strange. She called Don Warren and then called her father, Len Malinowsky,president of Mar-Len, and then she went to Petro Con. When she came back, she told me that Bob Owens had contracted with Petro Con to do several thousand dollars worth of estimating supposedly for Mar-Len and billed to Mar-Len, but in fact Mar-Len knew nothing about the package and was not even planning to bid it. Obviously,Bob planned for Mar-Len to pay for an estimate that was to be used by another company - probably Tri-Coast.

This was the first time Ann and I had ever a chance to compare notes on Bob Owens. It turned out we shared the same suspicions (for different reasons) that Bob was working for Tri-Coast. We planned to watch him more closely, but he left Mar-Len a few weeks later. I heard that he went to work (openly) for Tri-Coast at this time. (Dec, 1981)

Joan Hoffpauir

Joan Hoffpauir Date

SWORN TO AND SUBSCRIBED Before Me, Notary Public, this 19th day of January, 1984, at Lake Charles, LA.

Irene L. Hebert

NOTARY PUBLIC

The CHAIRMAN. Now, you stated that you employed local 406 operators on another project, the Maplewood project, where Tri Coast was a subcontractor. Was your experience with the operators on that project any better than it was on the West Hackberry job?

Ms. BLACKWELL. It was somewhat different in nature. We were using Tri Coast as employees, so we didn't seem to have the equipment failures. Of course, it didn't require nearly the equipment of West Hackberry.

But Mar-Len was forced to hire ghost employees.

The CHAIRMAN. By ghost employees, what do you mean?

Ms. BLACKWELL. I mean that we had employees on the payroll that never showed up.

The CHAIRMAN. In other words, never came on the job, but you had to pay full wage scales to them throughout the job?

Ms. BLACKWELL. That is right.

The CHAIRMAN. I see. Who forced you to hire these ghost employees?

Ms. BLACKWELL. Well, you see, this was a rather unusual situation. We didn't get operators out of the hall. My foreman just told Garland Davidson—now, mind you, Tri Coast was there as a subcontractor, so Garland Davidson, the president of Tri Coast, was always around. So when my foreman out there wanted operators, he just told Garland. Instead of calling the hall, Garland just arranged everything. My foreman never had to contact the hall.

The CHAIRMAN. So literally, it was Garland Davidson, who was the president of Tri Coast, who had you hire the ghost employees?

Ms. BLACKWELL. Yes, sir. He was the one sending the oilers and the operators out to me.

The CHAIRMAN. How many ghost employees were there on the job?

Ms. BLACKWELL. There were three.

The CHAIRMAN. Would you identify them for us?

Ms. BLACKWELL. Yes, sir. They were all female: Gia Marie O'Quinn, Rene Mancuso, and Margaret Barnes, who later married and became Margaret Landry.

The CHAIRMAN. Could you supply us with their pay records?

Ms. BLACKWELL. Yes, sir. I have pay records here of Margaret Barnes. What they are is Mar-Len payroll checks for the same perod of time that there were also Tri Coast payroll checks, and it is just proof that she was on two company payrolls at the same time, Tri Coast and Mar-Len.

The CHAIRMAN. In other words, she was being paid to do a job by Tri Coast, but you had to pay her as a ghost employee although she didn't lift a finger for you?

Ms. BLACKWELL. That is right.

The CHAIRMAN. So both of you were paying her?

Ms. BLACKWELL. Yes, sir.

The CHAIRMAN. But she worked for Tri Coast?

Ms. BLACKWELL. In theory. I don't think she really worked anywhere.

The CHAIRMAN. But Tri Coast paid her in full, too?

Ms. BLACKWELL. Yes, sir.

The CHAIRMAN. I take it they billed that to the job.

Ms. BLACKWELL. I assume that they did.

The **Chairman**. Well, let me enter those cancelled checks as Blackwell exhibit No. 11.

Ms. **Blackwell**. I have an affidavit from the foreman on that Maplewood project, O. T. Fisher. He attests to the fact that these oilers were sent by Garland Davidson and that they showed up rarely, if at all.

The **Chairman**. I will put that into the record as Blackwell exhibit No. 12, and of course all of these exhibits will go into the record at the appropriate places.

[Blackwell exhibits Nos. 11 and 12 follow:]

07.003001.0000 851

MAR-LEN OF LA., INC.
P. O. BOX 6388
BEAUMONT, TEXAS 77705

Exhibit # 11

ID No. 74-2009925

EMPLOYMENT INFORMATION

JOB 12-81-100 NAME Margaret Barnes S.S.# 433-96-4838
PHONE ______ ADDRESS P.O. Box 5540 Lake Charles La. 70606
STREET CITY STATE
PERMANENT MAILING ADDRESS FOR W-2 FORM P.O. Box 5540 Lake Charles 70606
DATE OF BIRTH 7-7-52 CITIZEN, YES ☑ NO ☐
MARRIED ☐ SINGLE ☑
IN CASE OF ACCIDENT NOTIFY
S-O
NAME Mark Landry PHONE 582-6568
ADDRESS P.O. Box 5540 L.C. La. RELATIONSHIP boyfriende
DATE HIRED 11-4-81 CLASS Oiler RATE 7.79 BY O.T.

Employee's Withholding Allowance Certificate

Form **W-4**
(Rev. October 1979)

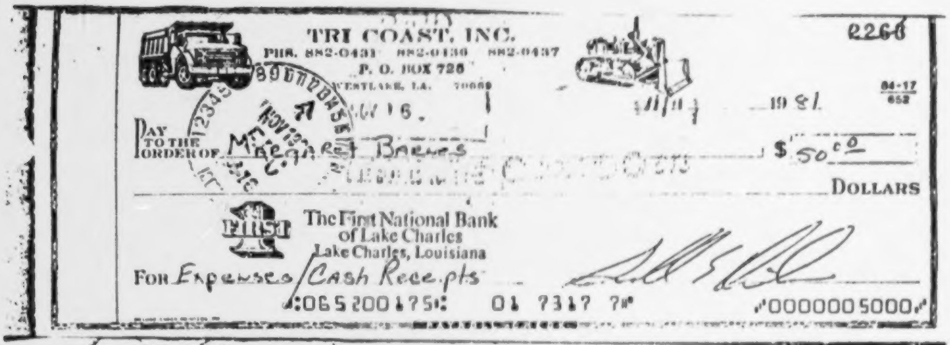
This certificate is for income tax withholding purposes only. It will remain in effect until you change it. If you claim exemption from withholding, you will have to file a new certificate on or before April 30 of next year.

Print your full name ▶ MARGARET C. CLE BARNES Your social security number ▶ 433 96 4838
Address (including ZIP code) ▶ P.O. Box 5540 Lake Charles, La. 70606
Marital status: ☑ Single ☐ Married ☐ Married, but withhold at higher Single rate
Note: *If married, but legally separated, or spouse is a nonresident alien, check the single block.*

1 Total number of allowances you are claiming (from line F of the worksheet on page 2) . . . .
2 Additional amount, if any, you want deducted from each pay (if your employer agrees) . . . . $
I claim exemption from withholding because (see instructions and check boxes below that apply):
a ☐ Last year I did not owe any Federal income tax and had a right to a full refund of ALL income tax withheld, AND
b ☐ This year I do not expect to owe any Federal income tax and expect to have a right to a full refund of ALL income tax withheld. If both a and b apply, enter "EXEMPT" here . . . . ▶
c If you entered "EXEMPT" on line 3b, are you a full-time student? . . . . ☐ Yes ☐ No

Under the penalties of perjury, I certify that I am entitled to the number of withholding allowances claimed on this certificate, or if claiming exemption from withholding, that I am entitled to claim the exempt status.

Employee's signature ▶ Margaret Barnes Date ▶ 11-4- , 19 81
Employer's name and address (including ZIP code) (FOR EMPLOYER'S USE ONLY) Employer identification number
P.O. Box 5540 Lake Charles, La 70606



TRI COAST, INC.
PHR. 882-0431 882-0436 882-0437
P. O. BOX 726
WESTLAKE, LA. 70669

2266

84-17
652

11/11 1981

NOV 16.

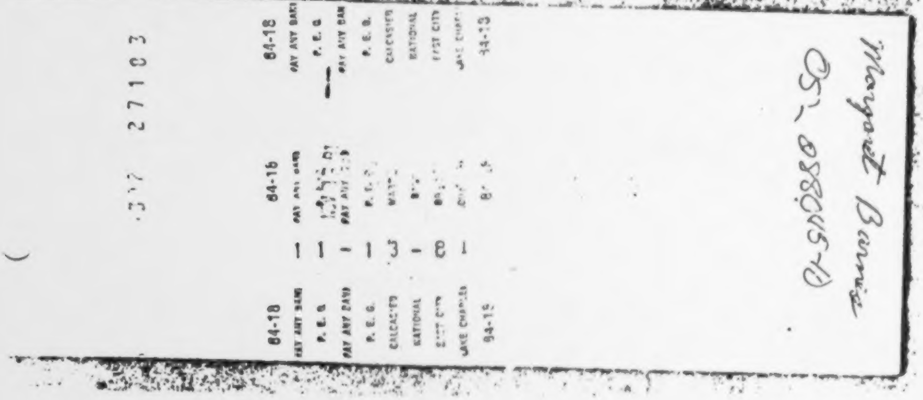
PAY TO THE ORDER OF Margaret Barnes $ 50.00

DOLLARS

The First National Bank
of Lake Charles
Lake Charles, Louisiana

FOR Expenses / Cash Receipts

⑆065200175⑆ 01 7317 7⑈ ⑈0000005000⑈



317 27103

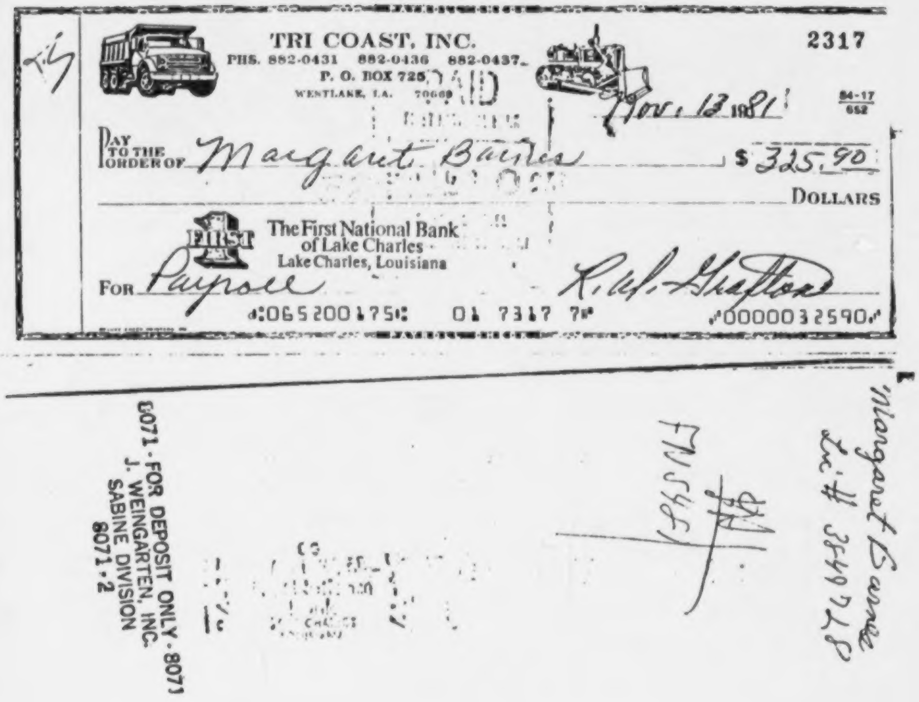
84-18 PAY ANY BANK P. E. G. PAY ANY BANK P. E. G. CALCASIEU NATIONAL FIRST CITY LAKE CHARLES 84-18

84-18 PAY ANY BANK P. E. G. PAY ANY BANK P. E. G. CALCASIEU NATIONAL FIRST CITY LAKE CHARLES 84-18

11-13-81

84-18 PAY ANY BANK P. E. G. PAY ANY BANK P. E. G. CALCASIEU NATIONAL FIRST CITY LAKE CHARLES 84-18

Margaret Barnes
05-0880545-1



TRI COAST, INC.
PHS. 882-0431 882-0436 882-0437
P. O. BOX 725
WESTLAKE, LA. 70669

2317

Nov. 13 1981

84-17
652

PAY TO THE ORDER OF Margaret Barnes $ 325.90

DOLLARS

The First National Bank of Lake Charles
Lake Charles, Louisiana

FOR Payroll

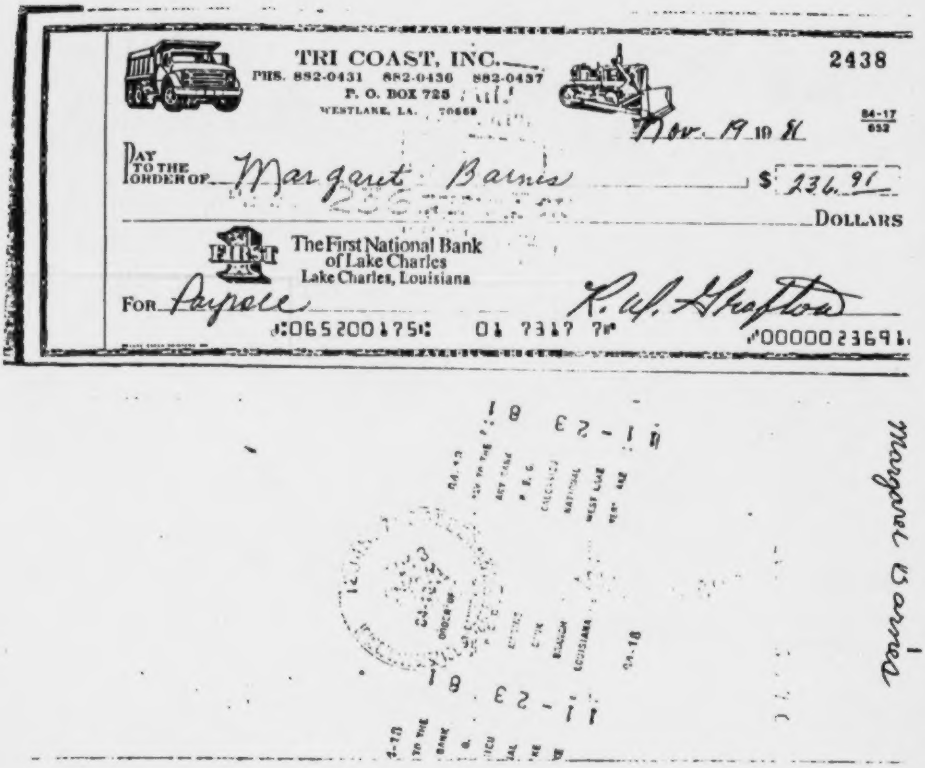
R. W. Grafton

⑆065200175⑆ 01 7317 7⑈ ⑈0000032590⑈

8071 · FOR DEPOSIT ONLY · 8071
J. WEINGARTEN, INC.
SABINE DIVISION
8071-2

Margaret Barnes
Lic # 3549728

FN548



TRI COAST, INC.
PHS. 882-0431 882-0436 882-0437
P. O. BOX 725
WESTLAKE, LA. 70669

2438

Nov. 19 19 81

84-17
652

PAY TO THE ORDER OF Margaret Barnes $ 236.91

DOLLARS

The First National Bank
of Lake Charles
Lake Charles, Louisiana

FOR Payroll

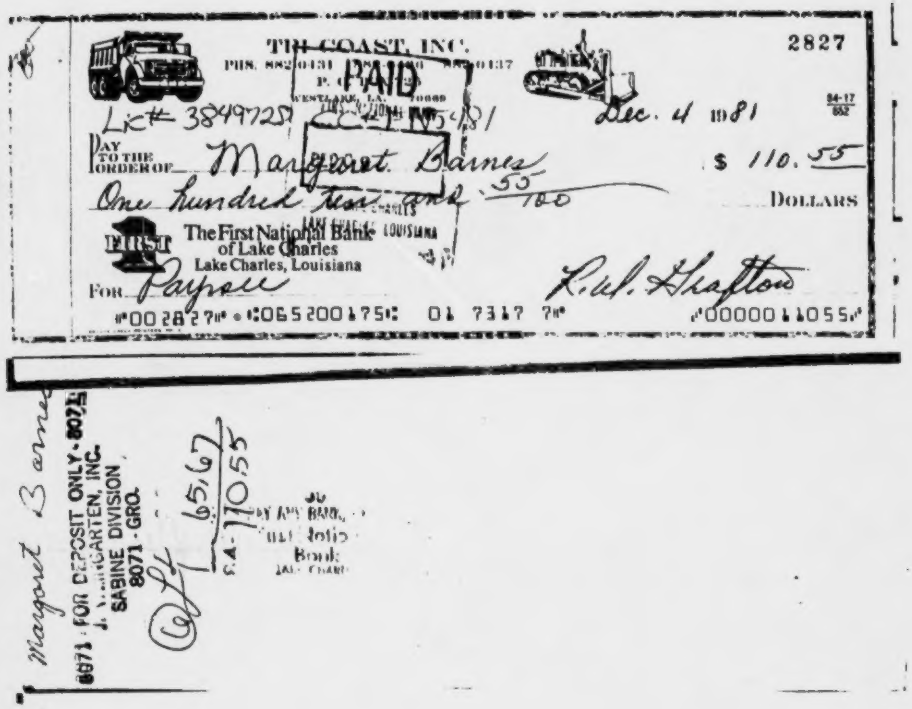
R. W. Grafton

065200175 01 7317 7 0000023691

11-23-81

11-23-81

Margaret Barnes



TRI-COAST, INC.
PHS. 882-0131 … 882-0137
P. O. …
WESTLAKE, LA. 70669

2827

PAID

Lic# 3849725 … 12/5/81

Dec. 4 1981

84-17
652

PAY TO THE ORDER OF Margaret Barnes $ 110.55

One hundred ten and 55/100 DOLLARS

The First National Bank
of Lake Charles
Lake Charles, Louisiana

LAKE CHARLES LOUISIANA

FOR Payroll

R. W. Grafton

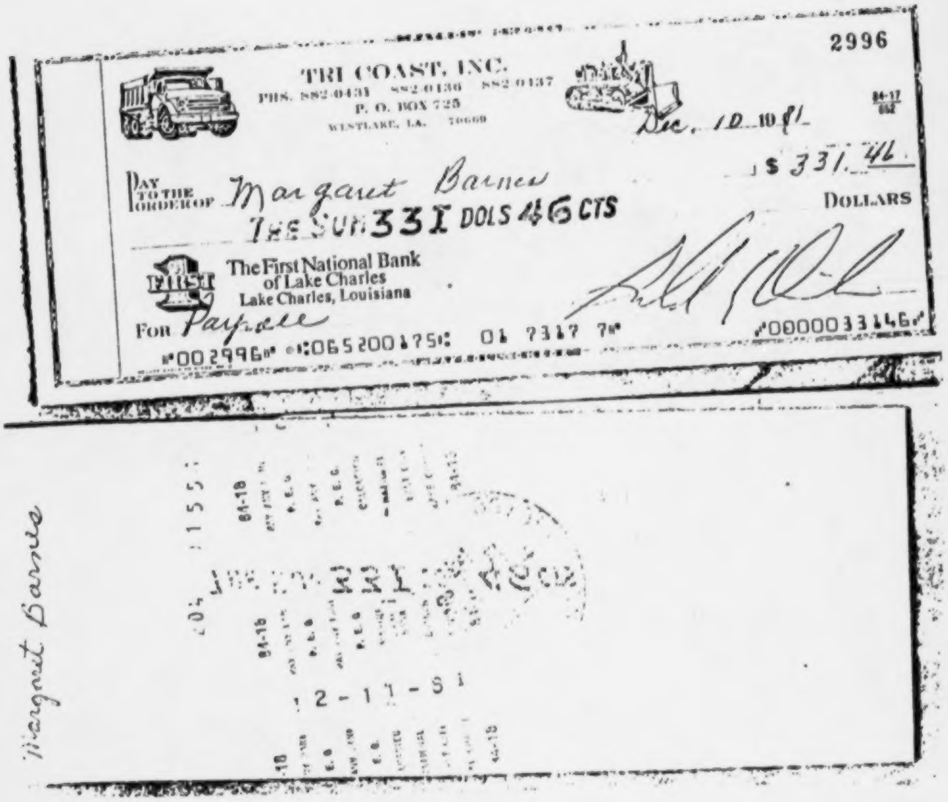
⑈002827⑈ ⑆065200175⑆ 01 7317 7⑈ ⑇0000011055⑇

Margaret Barnes

8071 · FOR DEPOSIT ONLY · 8071
J. [illegible]GARTEN, INC.
SABINE DIVISION
8071 · GRO.

65.67
110.55
S.A.

PAY ANY BANK
[illegible]
Bank
[illegible]



2996

TRI COAST, INC.
PHS. 882-0431 882-0136 882-0137
P. O. BOX 725
WESTLAKE, LA. 70669

84-17/652

Dec. 10 19 81

PAY TO THE ORDER OF Margaret Barnes $ 331.46

THE SUM 331 DOLS 46 CTS DOLLARS

The First National Bank of Lake Charles
Lake Charles, Louisiana

FOR Payroll

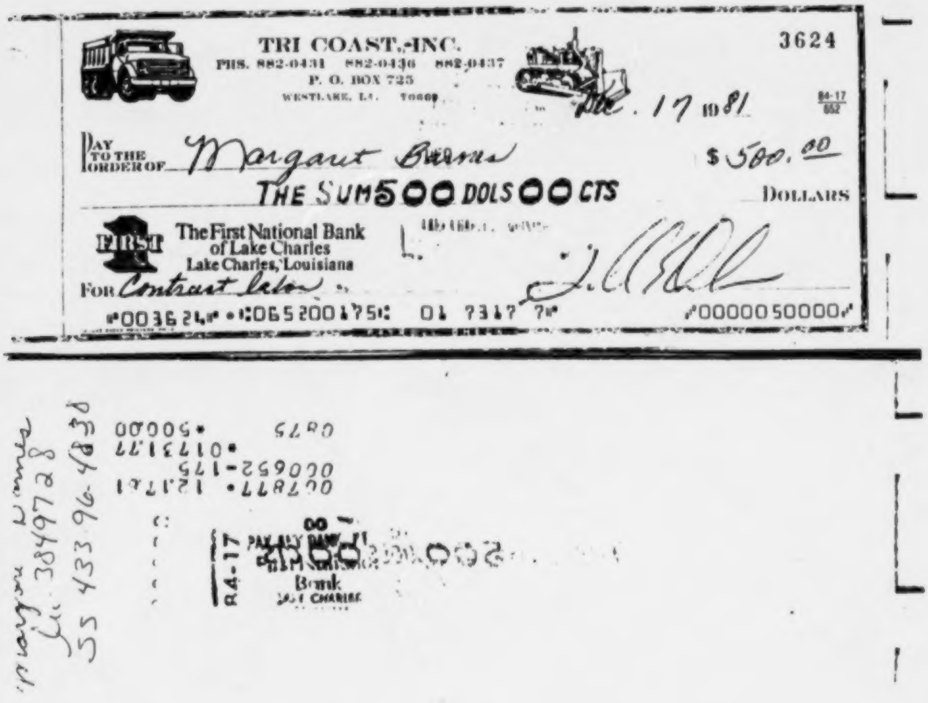
⑈002996⑈ ⑆065200175⑆ 01 7317 7⑈ ⑈0000033146⑈

Margaret Barnes

84-18

R.E.G.

12-11-81



TRI COAST, INC.
PHS. 882-0431 882-0436 882-0437
P. O. BOX 725
WESTLAKE, LA. 70669

3624

Dec. 17 1981

84-17
652

PAY TO THE ORDER OF Margaret Barnes $ 500.00

THE SUM 500 DOLS 00 CTS DOLLARS

The First National Bank
of Lake Charles
Lake Charles, Louisiana

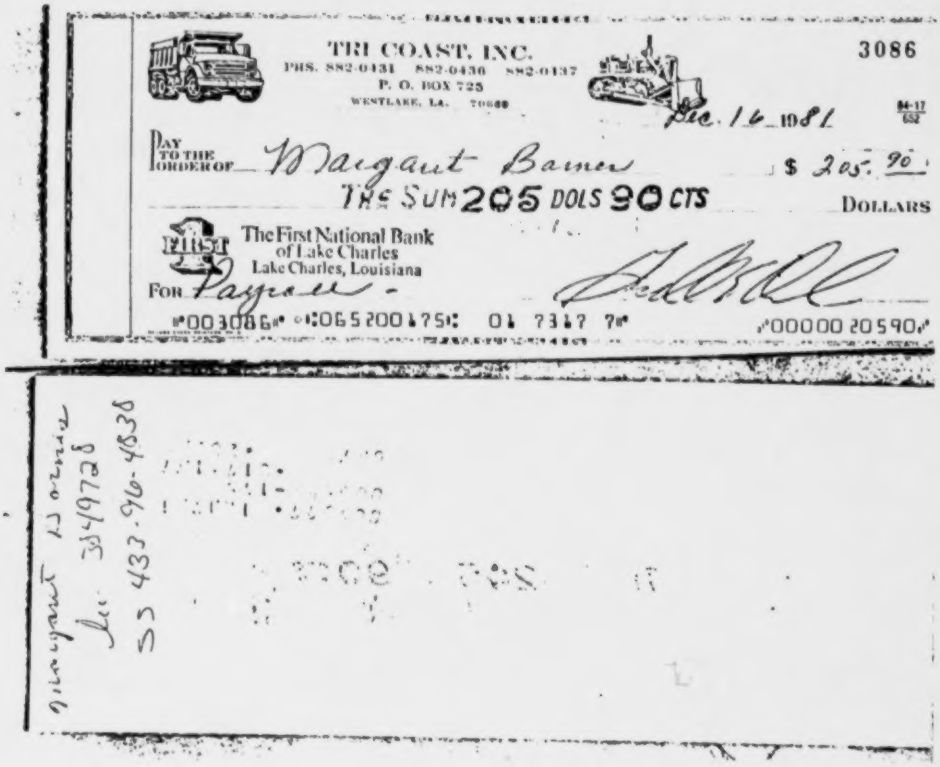
FOR Contract labor

⑈003624⑈ ⑆065200175⑆ 01 7317 7⑈ ⑈0000050000⑈

Margaret Barnes
Lic 3849728
55 433 96 4838

007877• 12.17.81
000652-175
•01731.77
0875 •500.00

RA-17
PAY ANY BANK
Bank
LAKE CHARLES



TRI COAST, INC.
PHS. 882-0431 882-0436 882-0137
P. O. BOX 725
WESTLAKE, LA. 70669

3086

Dec. 16 1981

84-17
652

PAY TO THE ORDER OF Margaret Barnes $ 205.90

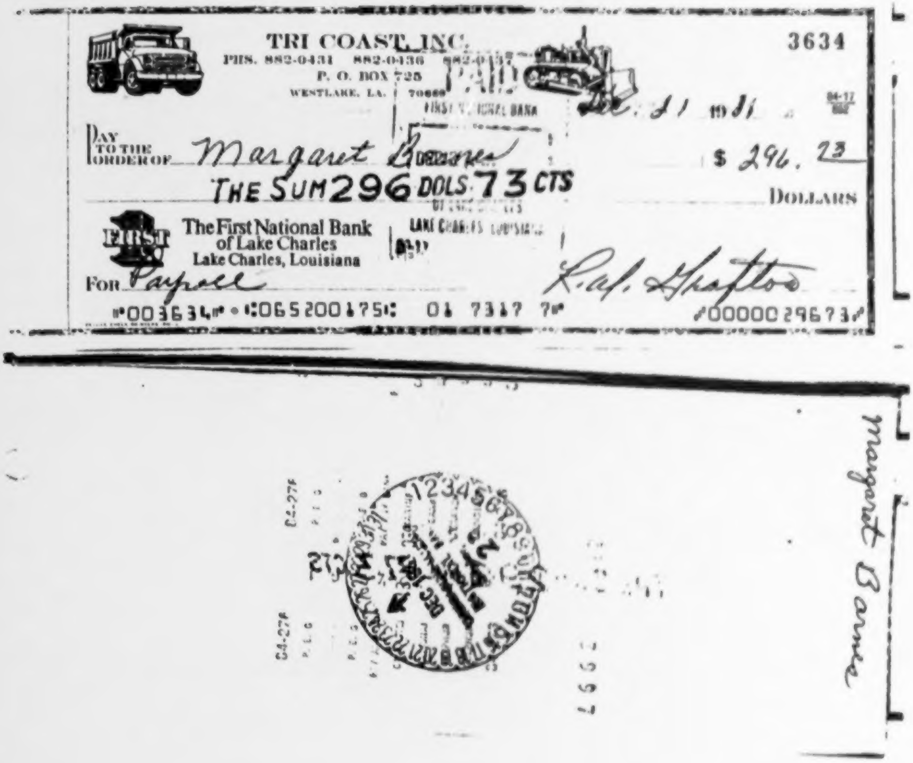
THE SUM 205 DOLS 90 CTS DOLLARS

The First National Bank
of Lake Charles
Lake Charles, Louisiana

FOR Payroll -

003086 065200175 01 7317 7 0000020590

Margaret Barnes
Lic 3549728
SS 433-96-4838



TRI COAST, INC.
PHS. 882-0431 882-0436 882-0437
P. O. BOX 725
WESTLAKE, LA. 70669

3634

PAID
FIRST NATIONAL BANK
OF LAKE CHARLES
LAKE CHARLES, LOUISIANA

Dec. 31 1981

84-17
852

PAY TO THE ORDER OF Margaret Barnes $ 296.73

THE SUM 296 DOLS 73 CTS DOLLARS

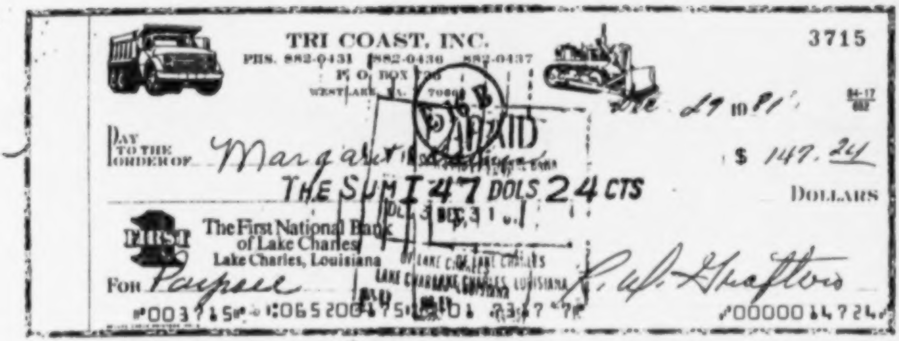
The First National Bank
of Lake Charles
Lake Charles, Louisiana

FOR Payroll

R. A. Grafton

003634 065200175 01 7317 7 0000029673

Margaret Barnes



TRI COAST, INC.
PHS. 882-0431 882-0436 882-0437
P. O. BOX 7
WESTLAKE, LA. 70669

3715

Dec 29 1981

84-17
652

PAY TO THE ORDER OF Margaret

$ 147.24

THE SUM 147 DOLS 24 CTS

DOLLARS

The First National Bank of Lake Charles
Lake Charles, Louisiana

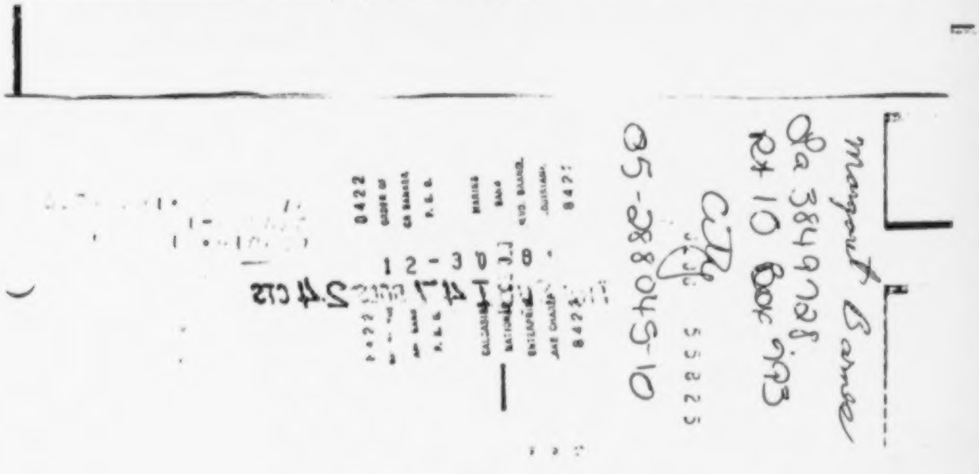
FOR Payroll

R. W. Grafton

PAID
DEC 31

LAKE CHARLES, LOUISIANA

⑈003715⑈ ⑆065200175⑆ 01 3347 7⑈ ⑈0000014724⑈



Margaret Barnes
La 3849708
Rt 10 Box 973
05-288045-10

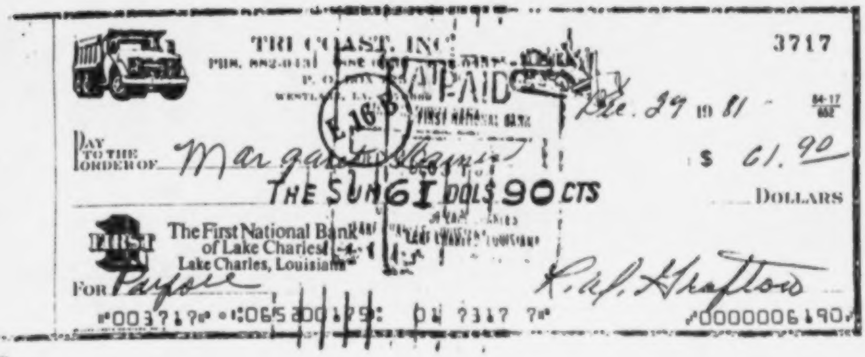
0422
ORDER OF
CA BANKER
P. E. B.
MARINA
BANK
NVD. BRANCH
LOUISIANA
8422

12-30 81

CALCASIEU
NATIONAL
ENTERPRISE
LAKE CHARLES
8422

147 DOLS 24 CTS

55825



TRI COAST, INC
P. O. BOX
WESTLAKE, LA.

3717

PAID
E 16 B
FIRST NATIONAL BANK

Dec. 29 1981 84-17/652

PAY TO THE ORDER OF Margaret Barnes $ 61.90

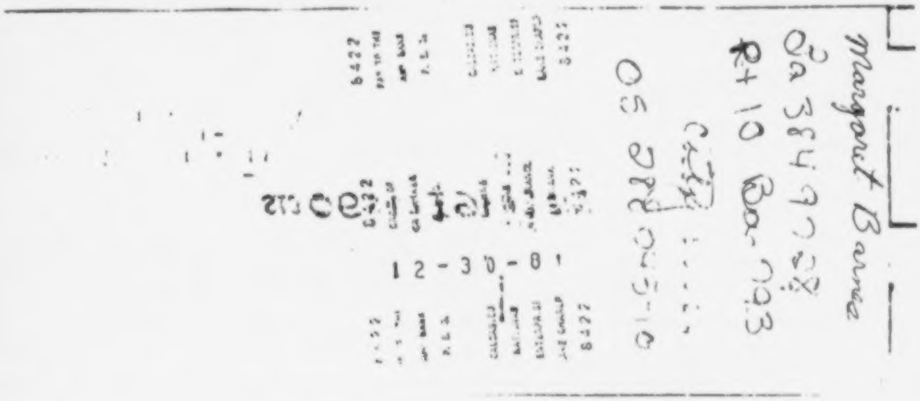
THE SUM 61 DOLS 90 CTS DOLLARS

The First National Bank of Lake Charles
Lake Charles, Louisiana

FOR Payroll

R. A. Grafton

⑈003717⑈ ⑆065200129⑆ 04 2317 7⑈ ⑈0000006190⑈



Margaret Barnes
2a 384 97 28
Rt 10 Box 293
City
05 288 04-5-10

12-30-81

MAR-LEN OF LA., INC.
GENERAL CONTRACTORS
P.O. BOX 2150
SULPHUR, LOUISIANA 70663
PHONE: 318/527-0019

Mid City Branch
CALCASIEU MARINE NATIONAL BANK
Sulphur, Louisiana

PAYROLL ACCOUNT

12618

PAY ONE HUNDRED NINETY NINE DOLLARS AND [illegible] CENTS

DATE	CHECK NO	AMOUNT
NOV 11, 1981	12618	$*****199.89**

PAY TO THE ORDER OF
MARGARET BARNES

MAR-LEN OF LA., INC.
PAYROLL ACCOUNT

012618 065200188 10030301 02 0000019989

MAR-LEN OF LA., INC.
GENERAL CONTRACTORS
P.O. BOX 2150
SULPHUR, LOUISIANA 70663
PHONE: 318/527-0019

Mid City Branch
CALCASIEU MARINE NATIONAL BANK 84-18/652
Sulphur, Louisiana

PAYROLL ACCOUNT

12709

PAY TWO HUNDRED EIGHTEEN DOLLARS AND 56 CENTS

DATE	CHECK NO	AMOUNT
NOV 17 1981	12709	$*****218.56**

PAY TO THE ORDER OF
MARGARET BARNES
P. O.BOX 5540
LAKE CHARLES, LA 70606

MAR-LEN OF LA., INC.
PAYROLL ACCOUNT

012709 065200188 10030301 02 0000021856

MAR-LEN OF LA., INC.
GENERAL CONTRACTORS
P.O. BOX 2150
SULPHUR, LOUISIANA 70663
PHONE: 318/527-0019

Mid City Branch
CALCASIEU MARINE NATIONAL BANK 84-18/652
Sulphur, Louisiana

PAYROLL ACCOUNT

12913

PAY TWO HUNDRED EIGHTEEN DOLLARS AND 57 CENTS

DATE	CHECK NO	AMOUNT
NOV 24 1981	12913	$*****218.57**

PAY TO THE ORDER OF
MARGARET BARNES
P. O.BOX 5540
LAKE CHARLES, LA 70606

MAR-LEN OF LA., INC.
PAYROLL ACCOUNT

012913 065200188 10030301 02 0000021857

MAR-LEN OF LA., INC.
GENERAL CONTRACTORS
P.O. BOX 2150
SULPHUR, LOUISIANA 70663
PHONE: 318/527-0019

Mid City Branch
CALCASIEU MARINE NATIONAL BANK 84-18/652
Sulphur, Louisiana

PAYROLL ACCOUNT

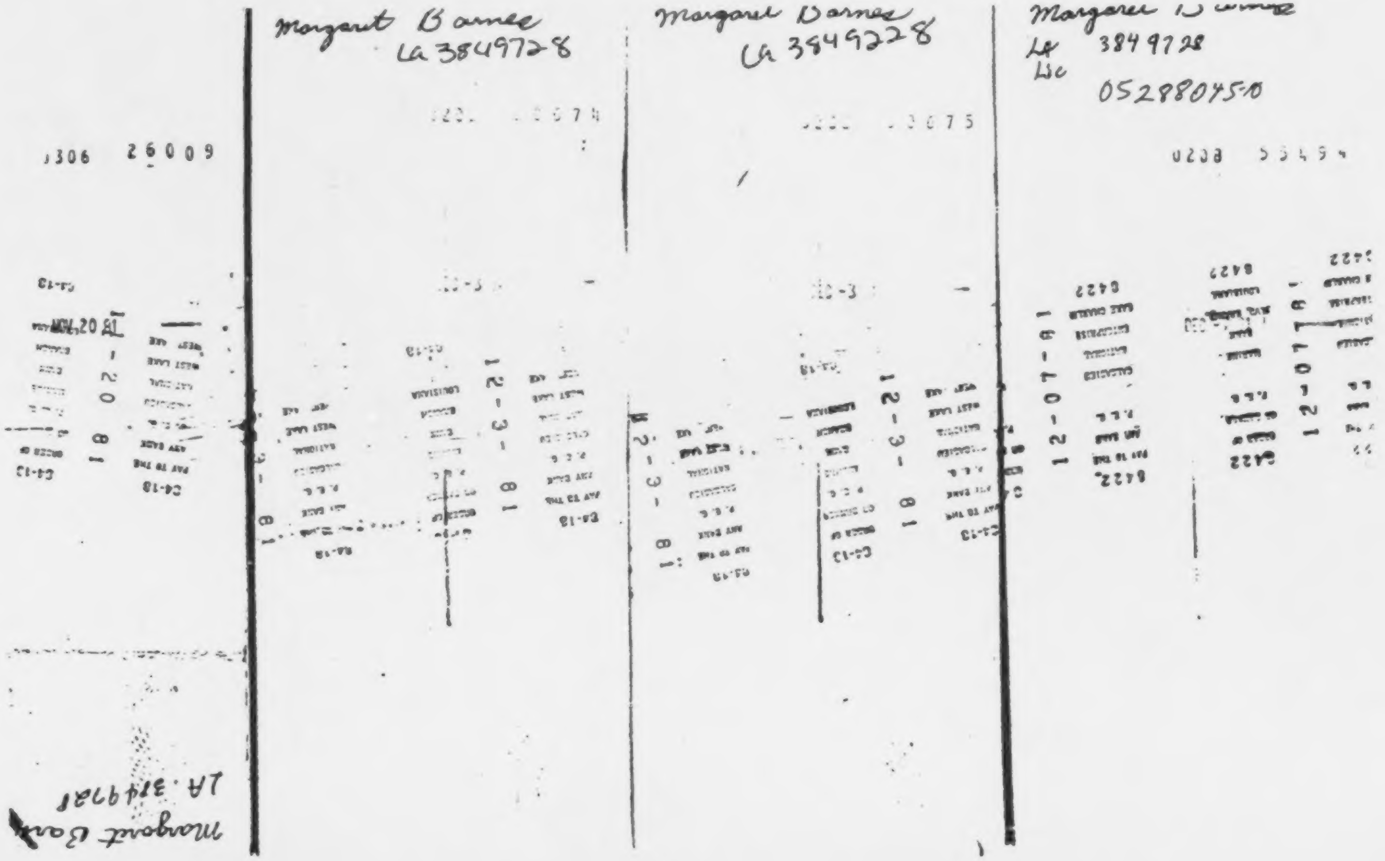
13006

PAY ONE HUNDRED THIRTY NINE DOLLARS AND 45 CENTS

DATE	CHECK NO	AMOUNT
DEC 01, 1981	13006	$*****139.45**

PAY TO THE ORDER OF
MARGARET BARNES
P. O.BOX 5540
LAKE CHARLES, LA 70606

MAR-LEN OF LA., INC.
PAYROLL ACCOUNT



Margaret Bar
LA. 3849728

1306 26009

NOV 20 81

18-20

C4-13
PAY TO THE
ANY BANK
WEST LAKE

Margaret Barnes
LA 3849728

12-3-81

C4-13
PAY TO THE
ANY BANK
P.E.G.
CALCASIEU
NATIONAL
WEST LAKE

LOUISIANA

Margaret Barnes
LA 3849228

12-3-81

C4-13
PAY TO THE
ANY BANK
P.E.G.
CALCASIEU
NATIONAL
WEST LAKE

LOUISIANA

Margaret Barnes
LA 3849728
Lic 05288045-10

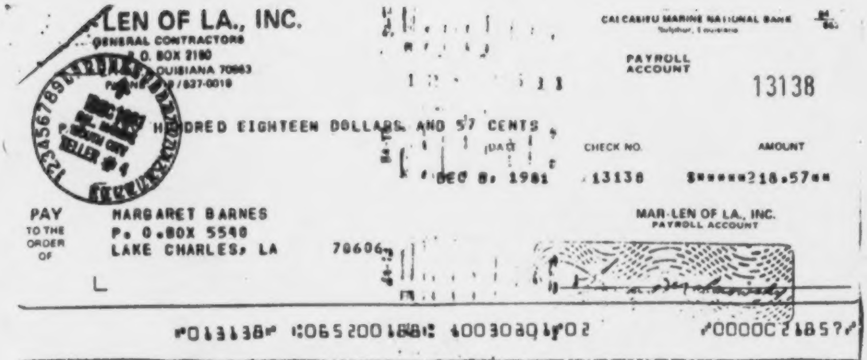
0208 55494

12-07-81

8422
PAY TO THE
ANY BANK
P.E.G.
CALCASIEU
NATIONAL
ENTERPRISE
LAKE CHARLES
8422

12-07-81

8422
LOUISIANA
8422



MAR-LEN OF LA., INC.
GENERAL CONTRACTORS
P.O. BOX 2180
SULPHUR, LOUISIANA 70663
PHONE: 318/527-0019

CALCASIEU MARINE NATIONAL BANK
Sulphur, Louisiana

PAYROLL ACCOUNT

13138

TELLER #1

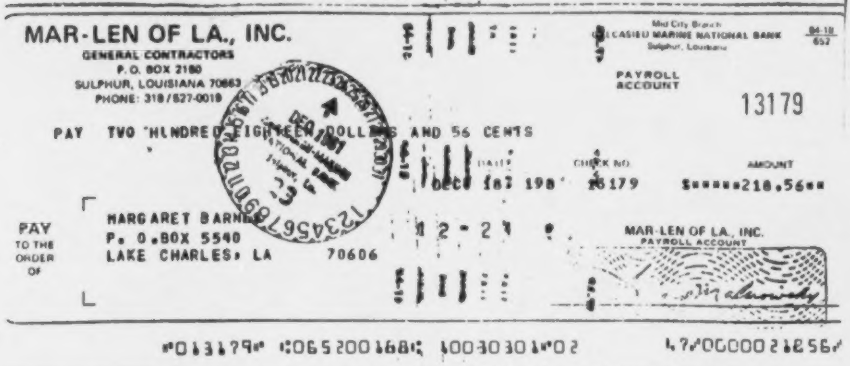
PAY TWO HUNDRED EIGHTEEN DOLLARS AND 57 CENTS

DATE	CHECK NO.	AMOUNT
DEC 8, 1981	13138	$*****218.57**

PAY TO THE ORDER OF
MARGARET BARNES
P. O.BOX 5540
LAKE CHARLES, LA 70606

MAR-LEN OF LA., INC.
PAYROLL ACCOUNT

⑈013138⑈ ⑆065200188⑆ 10030301⑈02 ⑆0000021857⑆



MAR-LEN OF LA., INC.
GENERAL CONTRACTORS
P.O. BOX 2180
SULPHUR, LOUISIANA 70663
PHONE: 318/527-0019

Mid City Branch
CALCASIEU MARINE NATIONAL BANK
Sulphur, Louisiana
84-18/652

PAYROLL ACCOUNT

13179

DEC 1981

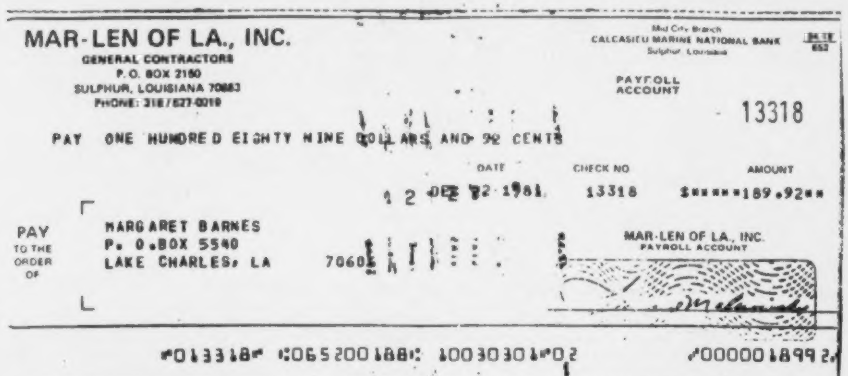
PAY TWO HUNDRED EIGHTEEN DOLLARS AND 56 CENTS

DATE	CHECK NO.	AMOUNT
DEC 18, 1981	13179	$*****218.56**

PAY TO THE ORDER OF
MARGARET BARNES
P. O.BOX 5540
LAKE CHARLES, LA 70606

MAR-LEN OF LA., INC.
PAYROLL ACCOUNT

⑈013179⑈ ⑆065200188⑆ 10030301⑈02 ⑆0000021856⑆



MAR-LEN OF LA., INC.
GENERAL CONTRACTORS
P.O. BOX 2180
SULPHUR, LOUISIANA 70663
PHONE: 318/527-0019

Mid City Branch
CALCASIEU MARINE NATIONAL BANK
Sulphur, Louisiana
84-18/652

PAYROLL ACCOUNT

13318

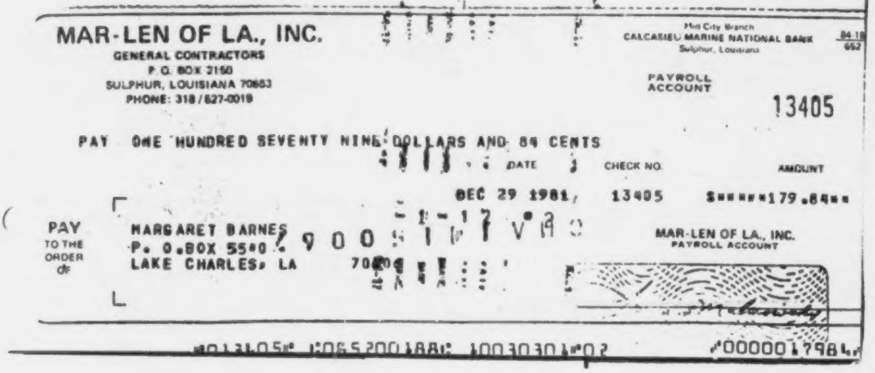
PAY ONE HUNDRED EIGHTY NINE DOLLARS AND 92 CENTS

DATE	CHECK NO	AMOUNT
DEC 22 1981	13318	$*****189.92**

PAY TO THE ORDER OF
MARGARET BARNES
P. O.BOX 5540
LAKE CHARLES, LA 70606

MAR-LEN OF LA., INC.
PAYROLL ACCOUNT

⑈013318⑈ ⑆065200188⑆ 10030301⑈02 ⑆0000018992⑆



MAR-LEN OF LA., INC.
GENERAL CONTRACTORS
P.O. BOX 2150
SULPHUR, LOUISIANA 70663
PHONE: 318/527-0019

Mid City Branch
CALCASIEU MARINE NATIONAL BANK
Sulphur, Louisiana
84-18/652

PAYROLL ACCOUNT

13405

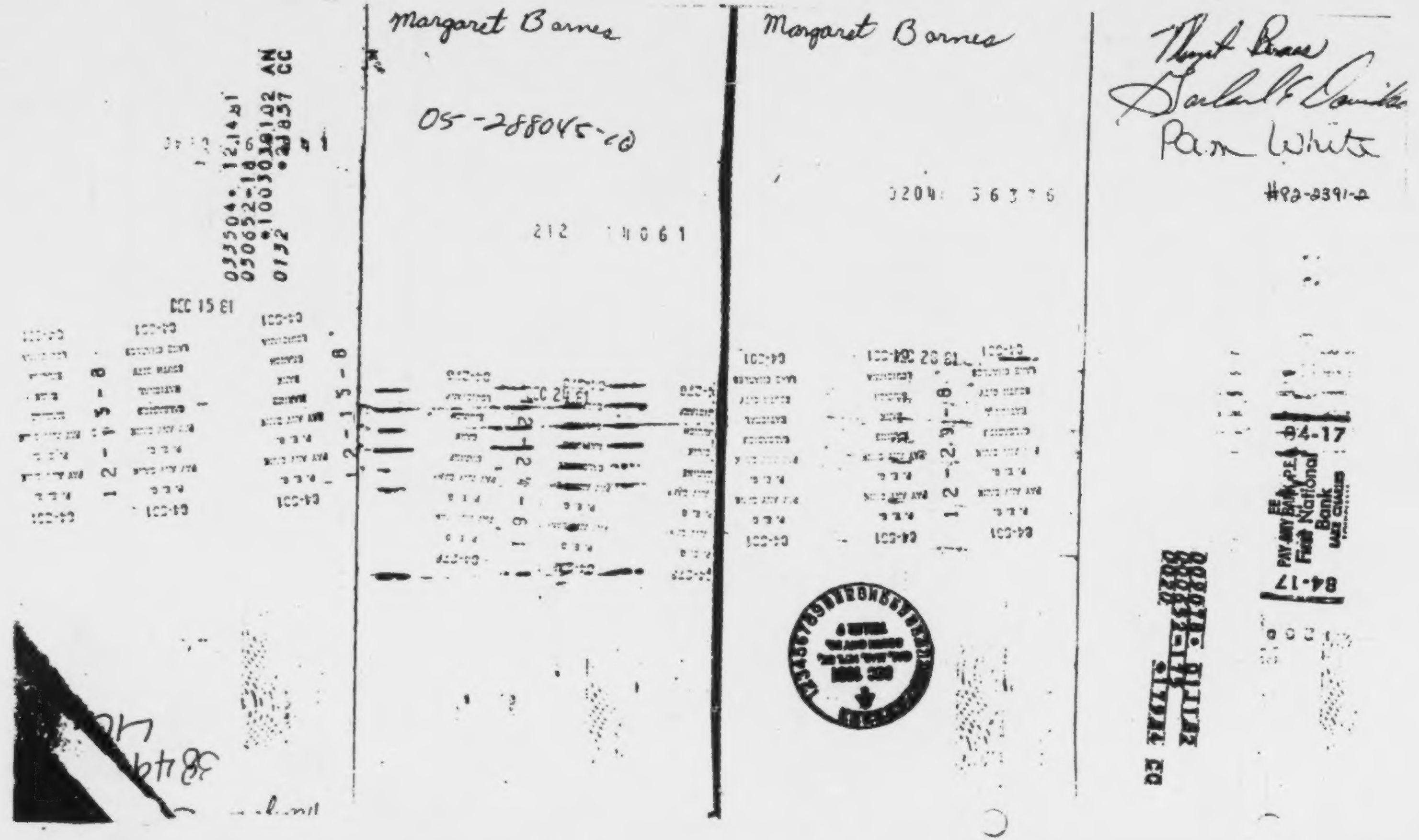
PAY ONE HUNDRED SEVENTY NINE DOLLARS AND 84 CENTS

DATE	CHECK NO.	AMOUNT
DEC 29 1981	13405	$*****179.84**

PAY TO THE ORDER OF
MARGARET BARNES
P. O.BOX 5540
LAKE CHARLES, LA 70606

MAR-LEN OF LA., INC.
PAYROLL ACCOUNT

⑈013405⑈ ⑆065200188⑆ 10030301⑈02 ⑆0000017984⑆



3849

12-15-8

DEC 15 81

033504• 12.14.81
050652-18
•1003030102 AN
0132 •23857 CC

Margaret Barnes

05-288045-10

212 14061

DEC 29 81

Margaret Barnes

0204 36376

12-29-8

Floyd Barnes

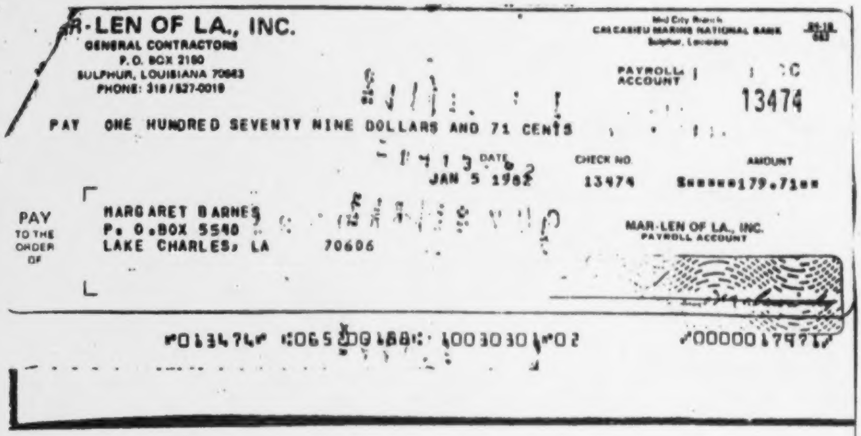
Garland F. Daniels

Pam White

#82-8391-2

84-17

PAY ANY BANK P.E.G.
First National
Bank
LAKE CHARLES



R-LEN OF LA., INC.
GENERAL CONTRACTORS
P.O. BOX 2150
SULPHUR, LOUISIANA 70663
PHONE: 318/527-0019

Mid City Branch
CALCASIEU MARINE NATIONAL BANK
Sulphur, Louisiana

PAYROLL ACCOUNT

13474

PAY ONE HUNDRED SEVENTY NINE DOLLARS AND 71 CENTS

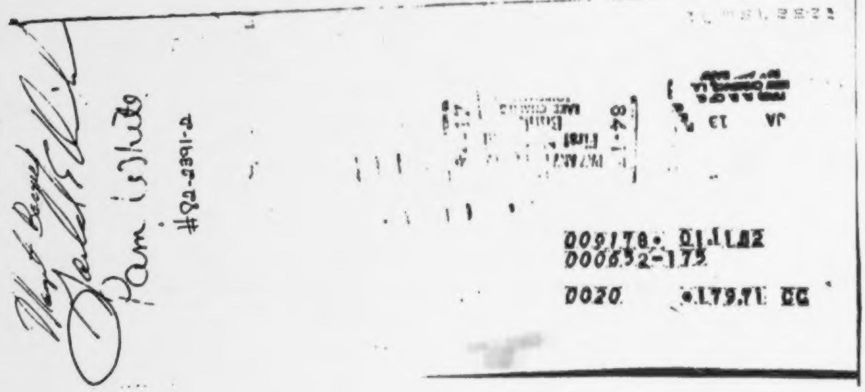
DATE	CHECK NO.	AMOUNT
JAN 5 1982	13474	$*****179.71**

PAY TO THE ORDER OF

MARGARET BARNES
P. O. BOX 5540
LAKE CHARLES, LA 70606

MAR-LEN OF LA., INC.
PAYROLL ACCOUNT

⑈013474⑈ ⑆065000188⑆ 1003030 1⑈02 ⑈0000017971⑈



Margaret Barnes

Pam White

#82-2391-D

JA 13

84-1

FIRST NATIONAL BANK

LAKE CHARLES

009178• 01.11.82
000632-179
0020 •179.71 CC

Blackwell Exhibit No. 12

STATE OF TEXAS
COUNTY OF

BEFORE ME, Notary Public, in and for the County and State aforesaid, came and appeared:

O. T. Fisher

who, upon oath, duly declared and affirmed as follows:

I, O. T. Fisher,am an operator by trade and have been a member in good standing of IUOE 450 for most of my life. I have been employed by Mar-Len for the last 7 years. I served as foreman on the City of Sulphur, La., Maplewood Drive project for Mar-Len of La. from August, 1981 to April, 1982. My immediate supervisor was Jerry Youngblood, who is field operations manager for Mar-Len of La.. Bob Owens, chief construction executive for Mar-Len of La. was also in a supervisory position over me.

The Maplewood Drive project manpower primarily consisted of operators. These operators were to be acquired through the Operating Engineers Local 406 hiring hall in Lake Charles, La.. In fact, however, I did not aquire operators through the 406 hiring hall. I got operators by telling Garland Davidson of Tri-Coast, Inc. when I needed someone.

Tri-Coast, Inc. was a sub-contractor to Mar-Len on this project, an arrangement that was evidently made by Bob Owens of Mar-Len. He and Garland Davidson seemed to be "close". When Mar-Len 'pre-jobbed' with 406, it was at a meeting at the Holiday Inn in Sulphur, La and Bob Owens had (I understand) asked Garland Davidson to attend because he (Garland Davidson) and Willard Carlock (406 Business Agent) were "very close". Jerry Youngblood and I were at this meeting along with Davidson (Tri-Coast), Carlock (Local 406) and Owens (Mar-Len).

Ann Blackwell came in but did not join the Maplewood Drive discussion. Instead she asked Carlock if she could speak to him privately and they talked at another table for ten (10) minutes or so. After she left, our discussion resumed and Carlock agreed that we could bring in some of our Texas operators. My impression was that we were allowed this favor (so to speak) because we were using Tri-Coast as a subcontractor.

I heard, although, I didn't know anything about Hackberry first hand, of the terrible time Ann Blackwell was having with Local 406 operators at West Hackberry and had known for years Local 406's extremely bad reputation. I did not want to make waves. I certainly did not want to go through the kinds of things that I heard were going on at West Hackberry: equipment sabotage, slow-walks, etc.. I got the impression that Owen's relationship with Davidson and Davidson's relationship with Carlock (and particularly the sub-contract with Tri-Coast) was "indemity" from "labor problems" with Local 406.

As it was the Maplewood Drive project did not have labor problems; we were allowed to bring in several of our own operators and all in all, had extremely few dealing with Local 406. As I said, when I needed an operator, I just told Garland Davidson, and I got one just as if I had called the Local 406 hiring hall.

This is how I got the female oilers. I told Garland we needed an oiler and we got a young female named Gia Marie O'Quinn. She showed up the first few days and then did not show up much. Garland knew she wasn't showing up and after several days or a week or so he told me he'd put me another oiler on the job.

I did get another oiler. Her name was Rene Mancusco. She also only showed up sometimes. After several weeks Garland again told me that he'd get me another oiler. The third female oiler was Margaret Barnes (Landry). She was on the payroll several months from about September, 1981 to January, 1982. She also quit showing up. Sometimes she would come to the job on payday to get her check and was usually driving a Tri-Coast pickup truck. If she didn't show up, Bob Owens took her check.

Ordinarily, I would not have paid an oiler that didn't work but, like I've said,I wasn't about to make waves. I was pretty sure that if I'd stopped paying the oilers we would either "loose" our Texas operators or start having the kinds of problems Ann was having at Hackberry. It wasn't worth the risk.

All in all, Mar-Len got Local 406 operators from Garland Davidson of Tri-Coast. Mar-Len paid oilers who did not work because we were afraid of repurcussions and Bob Owens took care of getting the oilers checks to them.

I swear that everything I have stated here is true to the best of my ability to recall these events.

O. T. Fisher

O. T. Fisher

Subscribed and sworn before me this 18th. day of January 1984

Joyce Laspik

Notary in and for Jefferson
County Texas

My Commission Expires 8-03-85

The CHAIRMAN. Why did Davidson want these oilers hired?

Ms. BLACKWELL. Well, we could only guess that they were Carlock's girlfriends. They were all, like I said, female, and they were all young and attractive. I have no way of knowing. It seems logical.

The CHAIRMAN. So you suspect that they were girlfriends of Carlock?

Ms. BLACKWELL. Yes.

The CHAIRMAN. You don't know, though?

Ms. BLACKWELL. I have heard rumors of him picking them up on the job when they did show up, that type of thing.

The CHAIRMAN. I see.

I understand that you have filed a civil lawsuit against Mr. Carlock arising from the problems that you have experienced. Is that correct?

Ms. BLACKWELL. Yes, sir. It took me a long time to find an attorney that had the courage to file it, but I finally did, and Mr. Carlock obviously is using this as an excuse not to testify on the grounds that everything I am saying here is covered by litigation.

I have no power except to file a civil lawsuit. There are, I think, obvious criminal acts here that he should respond to, and these are not covered by litigation.

The CHAIRMAN. Did you report any of these incidents to the International Union?

Ms. BLACKWELL. Yes, sir. I wrote Mr. J. C. Turner a letter—I have it right here—about these problems, on July 18, 1983, but he never answered my letter.

The CHAIRMAN. Let me enter that as Blackwell exhibit No. 13.

[Blackwell exhibit No. 13 follows:]

Blackwell Exhibit No. 13

MAR-LEN OF LA., INC.
GENERAL CONTRACTORS

August 5, 1983
ML-G031

J.C. Turner, General President
International Union of Operating Engineers
1125 17th Street, Northwest
Washington, D.C. 20036

Dear Mr. Turner:

I am writing in regard to the situation in the Lake Charles, Louisiana area and specifically in regard to Willard Carlock who represents Operating Engineers Local 406 in this district.

The enclosed newspaper clippings will verify the interest of the general public in at least two states. These articles also indicate suspicions of some degree of collusive effort between Operating Engineers 406 and Contractors in charge of a Federal Project.

Also enclosed is a copy of the lawsuit that specifically sets forth the charges against 406, Willard Carlock and others. It should be noted that neither I or either company I represent are of a litigatious nature, and have rarely seen fit to appeal to the courts for relief. The charges set forth in this document are, I assure you, justifiable.

In my long association with construction I have primarily been known as a union contractor. Since I specialize in civil work, union operators have been the mainstay of most of my projects. My previous experience and relationship with unions has been excellent, particularly with Operating Engineers.

My experience with Willard Carlock and 406 at West Hackberry was, quite frankly, unbelievable. I was forced (by physical threats) to remove the superintendent assigned to the project, could not fire a master mechanic who was obviously a union "henchman", (I've previously found master mechanics to be my most valued employees as a general rule), denied the right to hire another master mechanic for my shop in Sulphur, paid an oiler (that never showed up) on another project and found out since she was on another payroll.

I also went through the very costly experience of constant breakdowns of company-owned equipment until I "learned" to let the master mechanic rent equipment from his own sources. I was sent operators that I did not order and if I objected there would invariably be a costly "accident" the same day. When I fired the master mechanic's son for a severe safety violation, all operators immediately "got sick" and did not recover until he was rehired.

I could go on for many more pages but the point is that I strongly believe an all out effort was made by Willard Carlock to break a fair contractor. While this was happening at West Hackberry, non-union contractors were competing with me on other projects a few miles away. The non-union contractors got the projects, and performed them without so much as an informational picket by 406 and today Mar-Len is just about

SULPHUR, LA. 318 625 · 4203
LA. WATTS 1 · 800 · 231 · 1338
BEAUMONT 713 722 · 0472
HOUSTON 713 659 · 2900

P. O. BOX 2150
SULPHUR, LA 70663

the last true union contractor in the Lake Charles area.

Willard has a long-standing history of the tactics he used with me. Many other contracors are afraid to tell of their experiences with him. I've been afraid in the past but I no longer feel that I can remain silent.

It is a critical situation and your efforts are absolutely essential to rectifying the wrongs that have been done to both fair contractors and union members. There are many fine people in the Lake Charles 406 local. Some of them have been visibly embarrassed by the actions of their leader, many have been hurt economically.

But I'm not asking you to take my word for any of this. I'm asking that you come to Lake Charles and find out for yourself.

And remove Willard Carlock before he does any more damage to us - and to the union you represent.

Sincerely,

Ann Malinowsky Blackwell

President
MACO OF LOUISIANA, INCORPORATED

Construction Manager
MAR-LEN OF LOUISIANA, INCORPORATED

AMB:jmh

CC: Larry Duggan
Assistant General President
International Union of Operating Engineers

The CHAIRMAN. Did you ever report these incidents to the Federal law enforcement agencies?

Ms. BLACKWELL. Well, sir, I got told about three times a week by Mr. Scimemi that he and Carlock had a deal with the FBI, that if the FBI would leave them alone, they would leave the FBI alone.

So I tried to check it out, and quite frankly, sir—I have been over there in Sulphur 3 years now. I have never seen the FBI do anything, show any interest. I have never seen any results, and I have met a lot of people who have gone to them.

No, sir, I didn't go to the FBI. I didn't dare take the chance.

The CHAIRMAN. Didn't you talk to a Steven Eck at one time, who is the resident agent in charge?

Ms. BLACKWELL. Yes, sir, after I filed my lawsuits. Howard Taliaferro called (or came by) and said that Steve Eck was curious about the lawsuits I'd filed. According to Howard, Steve Eck asked if I'd come by (at my convenience) for a visit—not an interview. I did go to Steve's office and we talked for about an hour. It was not an interview and Steve said he'd get back with me later about a statement.

The CHAIRMAN. Well, didn't he ask some of the questions I am asking right now?

Ms. BLACKWELL. Sir, the only question he asked me that I can recall, he said, "Did Willard Carlock ever tell you directly that you had to rent Tri Coast equipment?" and I said, "No, he never used those words." He says, "Oh. Well, I was hoping you would say that he would." I said, "I can only tell you the truth."

But no, sir, he is—nowhere near like the questions you have asked me here this morning.

The CHAIRMAN. So he didn't really investigate it or look into it at all?

Ms. BLACKWELL. No, sir.

The CHAIRMAN. Did you report about your interview to the Department of Energy, or about these problems to the Department of Energy?

Ms. BLACKWELL. Sir, on April 20, 1982—and I have the letter here, and this is just the first page of a statement that had at least 50 pages of documentation attached—I mailed this letter to the Secretary of Energy in Washington, plus about a dozen other Federal agencies that seemed relevant, everybody I could think of.

[Blackwell exhibit No. 14 follows:]

Blackwell Exhibit
No. 14

MAR-LEN OF LA., INC.
GENERAL CONTRACTORS

April 20, 1982

James B. Edwards
Secretary of Energy
1000 Independence Avenue Southwest
Washington, DC 20585

Dear Mr. Edwards:

On or about the 1st of April, I heard and read of investigations for fraud that were being conducted concerning the Department of Energy Strategic Petroleum Reserve Program. I have constructed various projects on the Strategic Petroleum Reserve Sites for several years now and the circumstances of the Project I am currently completing at West Hackberry may also constitute fraud.

But I'm not an attorney, I'm a contractor - I don't know if the facts are illegal or just immoral and unethical. I do know that damage has been done and it seems reasonable to suspect collusion with someone in a position of power with the Federal Government.

I am asking you to take the time to read the enclosed. I realize it is a lengthy and time consuming chore, but it represents a full year of my life - an extremely difficult and discouraging year.

If you find any of this to be of interest or value, please feel free to contact me. I will be glad to answer any questions at any time.

Sincerely,

Ann Malinowsky Blackwell

Ann Malinowsky Blackwell

President
MACO OF LOUISIANA, INCORPORATED

Construction Manager
MAR-LEN OF LOUISIANA, INCORPORATED

Enclosures

UR. LA. 318 625 · 4203
LA. WATTS 1 · 800 · 231 · 1338
BEAUMONT 713 722 · 0472
HOUSTON 713 659 · 2900

P. O. BOX 2150
SULPHUR, LA. 70663

The **Chairman**. Including the Department of Energy in New Orleans and Washington themselves?

Ms. **Blackwell**. Yes, sir, I did not say anything in the statement about the union. It was not a statement of accusation.

The **Chairman**. Why didn't you mention the union?

Ms. **Blackwell**. I was scared for my physical safety, the same reason why I didn't put any of this in writing. I was afraid that I wouldn't live long enough to tell the whole story if I went around saying that I knew anything about the union. I wanted an investigation that would get to that end of it. That is what I was trying to trigger.

This was a Federal project, and I figure, if somebody would just come down there and really look at what was going on, it would be as obvious to them as it was to me.

The **Chairman**. I see. Well, did they do anything about it?

Ms. **Blackwell**. No, sir. Even though I said very plainly in my statement that I am not an attorney; I am a contractor; I don't know if this is illegal or if it is immoral or unethical, because that is not my place to make that judgment, but, however, I did say that great damage had been done and it seemed reasonable to suspect collusion with someone in a position of power with the Federal Government.

So, eventually, a couple of months later, I got a girl from the Inspector General's office in New Orleans, and she said she was conducting an investigation, and she hung around about 2 or 3 weeks and talked to a few people, and she went away, and I have never heard anything back.

I was at the Department of Energy here in Washington yesterday, inquiring into this investigation, and they said it is still ongoing and they could release no documents.

The **Chairman**. Well, I just want you to know that I really find your story just amazing to me, that something like this could go on in America today, and I really feel sorry for you that you had to go through this, and I feel sorry for these workers who have testified here today as well.

I think it is about time people worried a little bit more about the workers in this country and the people who have to work for a living than they do about some of these leaders who abuse the powers of their office. I am amazed that our law enforcement agencies didn't check these things out like they should have.

But I recommend to everybody in that area that they get in and see the FBI and that they see the Justice Department officials and see what they can do to help bring this thing to fruition, because this is just abominable. This should never be allowed in America.

I empathize with you as a small business person. I don't know how in the world you were able to live through that. It is just really terrible.

Let me let you relax for a minute, and let me go to Mr. Johnson. Your name is Truman Johnson?

STATEMENT OF TRUMAN JOHNSON

Mr. **Johnson**. Yes.

The CHAIRMAN. Mr. Johnson, how long have you been a member of Local 406 of the Operating Engineers Union?

Mr. JOHNSON. Going on 10 years.

The CHAIRMAN. Did Local 406 send you to the West Hackberry SPR job site to perform work for Mar-Len of Louisiana?

Mr. JOHNSON. Yes, they did.

The CHAIRMAN. I think you worked for Mar-Len from June to August 1981. Is that correct?

Mr. JOHNSON. Yes.

The CHAIRMAN. What kind of work were you asked to perform, and what kind of equipment did you operate there?

Mr. JOHNSON. I went there to run a 'dozer on the job. My job was to, when they got the pipe in the ditch, to cover the pipe up and do the landscaping, you know, make it like it was before.

The CHAIRMAN. So you ran the 'dozer, you actually covered the pipeline with sand, and you leveled the ground on top of it. Is that right?

Mr. JOHNSON. Right.

The CHAIRMAN. This was an extensive pipeline laying job?

Mr. JOHNSON. Right.

The CHAIRMAN. Did the 'dozer that you were asked to operate belong to Mar-Len, or was it a rental from Tri Coast?

Mr. JOHNSON. It belonged to Mar-Len.

The CHAIRMAN. So the 'dozer you operated was originally owned by Mar-Len, or was owned by Mar-Len?

Mr. JOHNSON. Yes.

The CHAIRMAN. Is it true that you were approached by one Michael Scimemi and told to park the machine?

Mr. JOHNSON. Yes.

The CHAIRMAN. Did he ask you to park the 'dozer because of its inefficiency to do the job or for some other reason?

Mr. JOHNSON. He told me to park it because they weren't satisfied with what it was doing and they were going to rent a front-end loader, which was a smaller machine, that belong to Tri Coast.

The CHAIRMAN. Didn't he tell you they were planning on replacing it with an old, worn-out front-end loader which belonged to Tri Coast?

Mr. JOHNSON. That is right.

The CHAIRMAN. Was the front-end loader from Tri Coast?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Was it better equipped than the Mar-Len 'dozer to do the job?

Mr. JOHNSON. To me, it was a whole lot more worn out than the 'dozer I was running, plus it wasn't an adequate piece of equipment to do the job.

The CHAIRMAN. If both machines were capable of doing the same job, then why would Mar-Len choose to park their good equipment and rent another piece of worn-out equipment from another contractor?

Mr. JOHNSON. From what I gathered on the job, just like Ann said, she was being forced to.

The CHAIRMAN. Well, in fact, Mike Scimemi told you, didn't he, that his intentions were to slow down Mar-Len's progress and force her to rent the equipment from Tri Coast?

Mr. JOHNSON. Yes, sir, he did.

The CHAIRMAN. You remember him saying that to you?

Mr. JOHNSON. Yes.

The CHAIRMAN. In other words, he actually blatantly just said, "We're going to force her to slow down. She has got to rent this equipment from people we want her to rent it from."

Mr. JOHNSON. Right, because he told me that there wouldn't be no Texas contractor come in on that job and make all the money.

The CHAIRMAN. In other words, nobody is going to come in from out of State and make all this money without sharing some of the spoils with them, I guess.

Mr. JOHNSON. Right.

The CHAIRMAN. Now, Mr. Johnson, did Mr. Scimemi tell you to run that front-end loader, or did they have someone else in mind?

Mr. JOHNSON. Well, when he first came to me, I thought he was going to lay me off and probably put somebody else on it, but I ended up running the piece of equipment myself.

The CHAIRMAN. So he told you to continue to do the same job you were doing with the 'dozer with this worn out front-end loader?

Mr. JOHNSON. Yes, sir. In my opinion—I have been operating for about 12 years—the front-end loader will take twice the time to do the job that the 'dozer would.

The CHAIRMAN. OK, but I suppose you didn't want to lose your job by refusing to use the front-end loader rather than the 'dozer?

Mr. JOHNSON. No, sir, I didn't. I had to call our statewide business agent in New Orleans asking him why I was being jumped on the out-of-work list to get down there on the job. I had to raise all kinds of hell just to get down there. I had been off work for about 6, 10 months, probably.

The CHAIRMAN. You indicated you didn't want to run that loader, then?

Mr. JOHNSON. Yes; I told them that. But I did, anyway, because I needed the work.

The CHAIRMAN. Didn't you refuse to work with that piece of equipment because it wouldn't do the job that it needed to do?

Mr. JOHNSON. Eventually.

The CHAIRMAN. Well, Mr. Johnson, Ms. Blackwell has testified that one of many problems she encountered with Local 406 was that the operators, including Mr. Scimemi, would leave the job site with phony illnesses.

Were you ever approached by Mr. Scimemi and told to leave the job site due to an illness that you in fact did not have?

Mr. JOHNSON. Yes, sir. I don't remember the exact date on it, but it was the day that his son was fired.

The CHAIRMAN. What happened?

Mr. JOHNSON. Well, I saw Michael Wayne Scimemi—that is Mike Scimemi's son—coming down the road, and he was speeding on the cherrypicker. So I didn't pay too much more attention until like 20 minutes later he came by and told us to go home, you know, just tell them that we were sick from the drinking water.

The CHAIRMAN. He told you to say you were sick from the drinking water?

Mr. JOHNSON. Right.

The CHAIRMAN. He knew you weren't sick?

Mr. JOHNSON. Well, I knew I wasn't. [Laughter.]

The CHAIRMAN. You knew you were not sick, but yet you were told to go home because you were sick?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. From the drinking water——

Mr. JOHNSON. Right.

The CHAIRMAN [continuing]. That everybody else was drinking on the job?

Mr. JOHNSON. Right.

The CHAIRMAN. And that approximately 30 other people stayed and worked with, or worked on?

Mr. JOHNSON. Right. Because after I left the job, I had this friend of mine—we were swapping rides because it was like 60 miles one way to where I lived— so on the way home, we stopped and ate lunch and drank some beers before we ever went home. So if I had been sick, I would have probably gone straight home. [Laughter.]

The CHAIRMAN. I see. Well, why would Mr. Scimemi do this?

Mr. JOHNSON. Just to cause conflict and economic harm to Mar-Len. That was all I could see out of it.

The CHAIRMAN. And because of Mr. Scimemi's son, Michael Wayne, I take it, too.

Mr. JOHNSON. Right.

The CHAIRMAN. Did Mr. Scimemi tell you or any other operators to report sick when you really were not sick?

Mr. JOHNSON. He came around, and I think there was another operator there—I don't even remember who it was. He told everybody, like two or three at a time, to go home sick.

The CHAIRMAN. Did you or any of the other operators—you have indicated none of you got sick on the water and that, really, this was just Mr. Scimemi giving this fine lady a rough time.

Mr. JOHNSON. Right.

The CHAIRMAN. Mr. Johnson, when you left the project claiming to be ill, you mentioned that you lived about 60 miles away fnom the job site, so you just stayed in the vicinity, you went with another operator who worked with you, and you went to a bar, you had lunch, and you had some drinks?

Mr. JOHNSON. Right.

The CHAIRMAN. What was that man's name?

Mr. JOHNSON. Leonard Demeritt.

The CHAIRMAN. Were workers from other craft unions working for Mar-Len at that time?

Mr. JOHNSON. Yes, there were pipefitters, laborers.

The CHAIRMAN. Were all the craft union representatives drinking from exactly the same water that you fellows drank from?

Mr. JOHNSON. As far as I know they were.

The CHAIRMAN. Did anyone besides the operators report an illness due to drinking water?

Mr. JOHNSON. Not that I know of.

The CHAIRMAN. What was your overall impression of the way in which Mr. Scimemi was running that project?

Mr. JOHNSON. He just had, as far as I was concerned, a bad attitude. He was just there to slow Mar-Len's job down any way he could.

The CHAIRMAN. So as far as you were concerned, these people were really trying to give her a rough time?

Mr. JOHNSON. Yes.

The CHAIRMAN. They would try to slow down her job.

Mr. JOHNSON. I think if you had walked on the job, you could probably have seen that. I don't know if you have ever been on a construction job or not, but it was real obvious.

The CHAIRMAN. I have been on a few. Yes, I have been on a few. Was Mr. Carlock aware of the problems Mar-Len was having with the operators and Mr. Scimemi?

Mr. JOHNSON. Yes, sir. I knew of him coming on the job like a couple of times a week, but I never did have any conversation with him while he was there.

The CHAIRMAN. You are saying that even if I hadn't had construction experience—and I had 10 years, just for your knowledge—but even if I hadn't had construction experience, if I was just a neophyte, I could walk on the job and see that they were giving this lady a rough time?

Mr. JOHNSON. If you had hung around a day or two, you would have seen something.

The CHAIRMAN. And you are saying Carlock was there plenty of days?

Mr. JOHNSON. Yes.

The CHAIRMAN. He walked on and off that job continuously. Is that right?

Mr. JOHNSON. Yes.

The CHAIRMAN. Where did you live at that time?

Mr. JOHNSON. In Lake Charles.

The CHAIRMAN. I see. While you were on that project, how many pieces of Mar-Len equipment were parked and later replaced by Tri Coast equipment? Can you give us an estimate?

Mr. JOHNSON. Probably five, eight, maybe nine pieces, something like that.

The CHAIRMAN. I see. So you are saying that those are the ones that you observed, that you knew about?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Were the Mar-Len pieces experiencing mechanical difficulties or problems?

Mr. JOHNSON. Well, they seemed to be, but I wasn't a mechanic, so I didn't go check them out, but they were parked, and supposedly something was wrong with them.

The CHAIRMAN. Well, were you aware of any mechanical difficulties, or were you aware that they just seemed to come and go?

Mr. JOHNSON. They just seemed to come and go.

The CHAIRMAN. I see. Did the way our contractor here described that, the cutting of the cables and so forth, were you aware of any of that?

Mr. JOHNSON. Yes, sir; I remember it happening.

The CHAIRMAN. So it was a lot more than just coming or going; it was actual, it looked like deliberate sabotage, didn't it, to you?

Mr. JOHNSON. I would say so, yes.

The CHAIRMAN. Have you observed any other activities of an illegal or unethical nature during your tenure as a member of local 406?

Mr. JOHNSON. Well, a few times on different jobs I have been asked to pay. One particular instance I think was in 1979. Ronnie Leger, on the T. L. James job which was mentioned earlier, he got a bunch of people together and told them we were making overtime, making good money, and he needed a donation for Willard Carlock, for his lawyers 'fees.

Well, at this time, supposedly, the defense fund was paid out, paid in full, and he told us that they owed $18,000-something dollars. So there was some money taken up on the job. I didn't give any.

So about 1 year later I was at the Gulf States job, and Ronnie Leger again was the master mechanic, and he made the same speech again 1 year later, and again, they still owed $18,000. This was 1 year later.

I asked Ronnie, I said, "Correct me if I'm wrong on this, but didn't you make the same speech a year ago today, about a year, and today he still owes $18,000?" Well, you could have heard a pin drop in the whole place. Two days later, I was laid off.

The CHAIRMAN. Have you gone to work since?

Mr. JOHNSON. Yes, I have worked since.

The CHAIRMAN. Out of 406?

Mr. JOHNSON. Yes. Not much, but I have worked.

The CHAIRMAN. I see. Have they asked you to pay any more into the defense fund?

Mr. JOHNSON. I think it was in probably January 1980. I was at the Olin Matheson plant. Mike Greer was taking up money then. I was asked to pay. It was an overtime job, and the job was just a turnaround, wasn't going to last but about 20 days, but there was money taken up on that job, which I didn't give.

The CHAIRMAN. Ms. Blackwell, had you heard any comments about whether or not people should make donations to the defense fund when you were working in that area?

Ms. BLACKWELL. No, sir, I don't recall any—it was common talk on the job but nothing that I witnessed first-hand.

The CHAIRMAN. All right.

Ms. BLACKWELL. They were careful to keep something like that away from me.

The CHAIRMAN. Let me ask both of you this last question. Let me ask you if you will now cooperate with the FBI if, after they read this transcript, they decide to get involved, and I will be very upset if they don't decide to get involved.

Ms. BLACKWELL. Sir, with the statement that you will be very upset if they don't get involved, that would give me the confidence to cooperate with anyone.

The CHAIRMAN. But you wouldn't have the confidence otherwise?

Ms. BLACKWELL. No, sir, I would not.

The CHAIRMAN. How do you feel about that, Mr. Johnson?

Mr. JOHNSON. I feel the same as she does.

The CHAIRMAN. You people seem to come from an area where people are intimidated, brutalized, pushed around, forced to give moneys that they didn't have to give, extorted; businesses are put out of business or at least crippled and hurt and lose money, all because of the corruption down there among some of the leaders of local 406.

Ms. BLACKWELL. Senator, I can honestly state, you have not heard a person testify that does not live in fear of their life every day, and that is including me for 3 years, and some of these people go a lot farther back than that. And that is the truth. Yes, sir, all of that and more.

The CHAIRMAN. Well, I want to thank you for testifying, and we will——

Mr. JOHNSON. Could I say something?

The CHAIRMAN. Yes, sir.

Mr. JOHNSON. Back in October or November 1983, a brother member of ours was found dead in a graveyard there in Lake Charles.

The CHAIRMAN. Who was this now?

Mr. JOHNSON. Anthony Tomasi.

The CHAIRMAN. Is this the fellow I mentioned earlier in the hearing?

Mr. JOHNSON. Yes, sir, you were talking about cooperating with the FBI. I talked with Mr. Eck on this, because a lot of people didn't think it was suicide. That is what the sheriff's department ruled.

So, anyway, I think it was 2 days after Mr. Tomasi was found dead in the graveyard, shot, I think, two or three times, I received a phone call about 10:30 one night—I was asleep, and you know how you answer the phone when you are half asleep, and they asked, "Is this Truman Johnson?" and I said, yes. And the party on the other end said, "Well, we killed Tony Tomasi. We're killing you next."

The CHAIRMAN. Is that right? Did you recognize the voice?

Mr. JOHNSON. No, sir, but by that time I was really awake.

The CHAIRMAN. I will bet you were. [Laughter.]

Mr. JOHNSON. Since then, I received four or five or six more calls to the same effect, and each time I receive a call. I report it to Steve Eck, the local FBI agent there, you know, and it just seems to go in one ear and out the other.

Ms. BLACKWELL. He does tell us to be careful when we report something like this.

The CHAIRMAN. He tells you to be careful?

Ms. BLACKWELL. Yes.

The CHAIRMAN. I see. Well, maybe he is undermanned down there. We will just have to see about it.

I am going to recess for the rest of the day because we are at the end of these hearings for today. We will resume these hearings tomorrow at 9:30 a.m., and we will begin with the testimony of Steven S. Trott, Assistant Attorney General and head of the Criminal Division of the U.S. Department of Justice.

Now, I am going to get to the bottom of this. I think this is awful. We have had some terrible experiences here, and I might add that we have had a lack of interest in some of these, too, not only by people who claim to be champions of labor, but by, I think, people who claim to be champions of labor in the media.

I look back on the culinary workers hearing, and we got criticized for holding that hearing, and they just got a judgment for $39 million in their favor. These people earn the minimum wage, and here we have allegations that a racketeer out there in Nevada took half of their total pension funds, which in itself is a violation of law, and nothing was being done about it.

This even outrages me even more, because here you have people threatened, their businesses ruined, women given jobs only if they give sexual favors, your business losing the money that it lost, being forced to use equipment that you had that was better than the equipment you had to rent.

I can tell you, it makes me doggone mad, and we are just going to see what the Justice Department has to say about it tomorrow. I think that we will just have to see. Their statement thus far is not really a good statement, but we will see how it is by tomorrow.

I just want you to know that I appreciate the courage you people have had to come in and testify. We are going to try to get to the bottom of this thing. We are going to try to see that some justice is done down there, and, by gosh, there had better not be any more threats or intimidation down there. I just want you to know that.

So let me just say in this regard that all of you people had a great deal of courage in coming in here and testifying. This is America; this isn't Communist Russia. This is a place where you ought to be protected. The union rules ought to protect you; the labor laws of this country ought to protect you; the laws against extortion ought to protect you. My gosh, the interstate commerce laws ought to come into play.

I just don't understand it, and it is making me doggone mad. I can see all of you are mad, too, and frankly, what really makes me mad is that these people claim to be the great emancipators of the working people.

I have found that a lot of people who claim to be working for the working people are working for others than the working people, and I think it is about time that we stand up and we do what is right for those who are working.

You have a right to belong to a union. You have a right to collectively bargain. You have a right to be represented properly. You have a right to have honesty in that union, and in all unions, and, thank goodness, in most unions in this country people are honest. Most union leaders are top-flight people. Most union leaders do a good job. Without them, we would have a rich and a poor class, perhaps, in this country.

But I am seeing too much of this stuff across this country that just plain is an abomination to any American, and it ought to be to the Justice Department and the FBI, and I am going to personally talk to Judge Webster about it and tell him what I feel about this, and I know that he will feel exactly the way I feel, because I know that man very well, and he is one of the best people I know.

So we will just see what happens, but I hope that your testimony hasn't been in vain, and as far as I am concerned, I will try to make sure that it isn't in vain, and we will try to clean up this stinking mess down there in Louisiana because, unfortunately, I am sure that it isn't the only place in the country where people have these problems and undergo these types of threats, intimidations, extortions, and downright brutal approaches toward business and toward labor.

So I just want to compliment you for being here. I know it is difficult for you. I know that you are afraid to testify here, but you had the guts to do it, and let's see what we can do to help you.

Thank you so much. We will wait for tomorrow. [Applause.]

The committee stands in recess until 9:30.

[Whereupon, at 2:14 p.m., the committee recessed, to reconvene at 9:30 a.m., the following day.]

OVERSIGHT OF OPERATING ENGINEERS, 1984

WEDNESDAY, FEBRUARY 29, 1984

U.S. SENATE,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, D.C.

The committee met, pursuant to notice, at 9:35 a.m., in room SD-430, Dirksen Senate Office Building, Senator Orrin Hatch (chairman of the committee) presiding.

Present: Senators Hatch and Nickles.

OPENING STATEMENT OF SENATOR HATCH

The CHAIRMAN. We will call this committee to order.

Today we hear the second day of testimony about allegations of corruption involving two locals of the International Union of Operating Engineers. Yesterday we heard allegations that certain officials of local 406 in Lake Charles, La., had systematically discriminated against members of the Operating Engineers in job referrals. We heard allegations that members were coerced to contribute to a fund designed to pay the legal expenses of a business agent who was defending himself against charges of illegal violence.

Contractors testified under oath that they were threatened with their equipment, their contracts, their businesses, their own lives and the lives of their employees to keep them from complaining about illegal union activities. We heard testimony that Federal law enforcement officials do not protect these American workers and businesses from violations of their rights or from violence that some feel is by design, although I do not feel that. We heard allegations that union members were coerced into performing sexual favors in order to get and keep their jobs.

These allegations were, of course, not new to me. I had seen outlines of these cases before. Yet, the testimony yesterday shocked me, and I think it should have shocked any American.

This morning we will hear from more American workers who will tell us, I fear, that abuses of the union hiring halls are not confined to the gulf coast States. It is with some sadness I note that we have heard other testimony in this very room of hiring hall abuses involving unions in other States besides the Operating Engineers. The U.S. Department of Justice has sent two officials to tell us what the FBI and U.S. prosecutors are doing to end these abuses.

We should comment here that the two written statements from yesterday's hearings have been made available to any reporter who may have missed the testimony. I cannot help but note the oddity of this proceeding. It is almost as if the ghost of Rod Serling had returned to compose this transcript. But, in the end, we must realize that what we heard here yesterday is not a television "Twilight Zone." It is the polar opposite of the union movement people like Woodie Guthrie envisioned when he wrote songs to organize unions with lyrics to say that this country was made for everyone.

I am hopeful that we can take steps here today to set right the grievances we have heard. I have to admit that I was really shocked by some of the testiomny we received yesterday, although I was pretty well aware of what most of the testimony would be. I still think that the testimony was incredible. This is not just an isolated instance; this is happening all too often and all too frequently throughout America. I just think something has to be done about it.

Our first witnesses this morning will be Mr. Stephen S. Trott, the Assistant Attorney General in the Criminal Division of the Department of Justice, and Mr. Floyd I. Clarke, the deputy assistant director of the Criminal Investigative Division at the Federal Bureau of Investigation. We are really happy to have you gentlemen with us. If you will introduce your other associate at the table, we would be happy with that. We are happy to have you here, and we appreciate the difficult job you have of law enforcement in this country. We are interested in this issue, and we will be interested in what you have to say today.

STATEMENT OF STEPHEN S. TROTT, ASSISTANT ATTORNEY GENERAL, CRIMINAL DIVISION, U.S. DEPARTMENT OF JUSTICE, ACCOMPANIED BY FLOYD I. CLARKE, DEPUTY ASSISTANT DIRECTOR, CRIMINAL INVESTIGATIVE DIVISION, FEDERAL BUREAU OF INVESTIGATION; AND GERALD A. TONER, ATTORNEY, ORGANIZED CRIME AND RACKETEERING SECTION, CRIMINAL DIVISION

Mr. TROTT. Thank you very much, Senator.

Senator, I would like to thank you for this opportunity to appear before you in this hearing. Let me say at the outset that I have been following very carefully the information that you have been developing so far, and I share your concerns for the factual material that you have alluded to this morning and what has gone on before in this hearing.

When this matter first came to my attention, I began personally to look into it, as did Mr. Toner and people in my Division and members of the FBI. I became more and more dismayed about the particular allegations regarding the so-called defense fund down in Louisiana.

I have filed a statement, and with the permission of yourself, I would like to supplement that statement with some additional remarks.

The CHAIRMAN. We would appreciate it if you would summarize it, and we will put your complete statement in the record, in addition to any supplemental statements you have.

Mr. TROTT. Mr. Chairman, we understand that witnesses before this committee testified yesterday on significant matters which are pertinent to the investigation of Operating Engineers Local 406, which has been conducted by the Federal Bureau of Investigation and the Federal grand jury in the Western District of Louisiana. Some of the testimony, like that of Gene Barr, who testified about Local Union 406 members obtaining loans on behalf of the business agent are new matters which should be examined for the first time by Federal investigators. We may have a statute of limitations problem there, but that is something that absolutely must be looked into.

In addition, other testimony like that of Ann Blackwell, who advised that she was allegedly coerced into using equipment that she did not need, should be examined further as shedding new light on less specific information which has been communicated to Federal investigators. Some of the matters which were the subject of testimony yesterday, such as that from Mr. Taliaferro, who testified concerning alleged kickbacks paid during the period 1972 through 1977 may not result in criminal prosecution because of the passage of the 5-year statute of limitations on any Federal offense which might likely apply to this situation.

Moreover, we note that there is no Federal kickback statute which deals directly with corrupt payments to union officials by persons other than employers who desire to use union influence for their own benefit.

Other matters which were the subject of testimony yesterday, like that of John Sylva and Janice Maxey Green, who testified about alleged attempts by certain individuals to obstruct the grand jury's investigation by threatening or persuading potential witnesses to be less than truthful and cooperative, are viewed by the Department of Justice as very serious allegations which require additional investigation.

The CHAIRMAN. I think they are very serious, especially in light of the fact that the man they were accusing of doing this was a former district attorney. If anybody ought to know the criminal laws, he ought to know them. I think that if those allegations are true, you should come down so hard on him that it would not be funny. These people are supposed to know the law, especially the criminal law. Presumably, if he had worked in that area, he ought to have known that it was not only improper, it was unethical, it was wrong, and it was a criminal set of acts.

Mr. TROTT. Senator, I have been examining this, as I said, from the outset. Watching the information that you have developed, it has become absolutely crystal clear to me that the predicate on which this investigation involving the defense fund was closed may very well have been defective and influenced by an obstruction of justice and subornation of perjury. I have determined that this investigation shall be reopened and shall be examined carefully in that respect.

I have discussed this with the FBI, and my people have discussed it with the U.S. attorney in Louisiana, and I think we frankly owe you a debt in this respect. You have continued to bring this matter to our attention in such a way as to indicate to us that although we are certain that the judgments down there were made in good faith, they may have been made based on facts that simply were not accurate. We intend to pursue this vigorously and get to the bottom of it.

The CHAIRMAN. I appreciate that. One of the things that worries me so much is that you have a bunch of goons down there, people who are bullying and intimidating little people. What really bothered me was their intimidation of their very own workers they are employed to protect. This is not just in Louisiana; I have seen it in other areas of the country, as well. Thank goodness it is the exception rather than the rule, but it is still widespread.

I think union leaders ought to work for people they are hired to work for. Again I say, thank goodness, most of them do. But the ones that do not, especially when they are bullying and beating people up and even threatening to kill peopie and ultimately—we have had some testimony—having people killed. I think we ought to get to the bottom of it.

Mr. TROTT. I agree, and frankly I am dismayed at our inability and our failure so far to get as deeply into the factual predicate of this matter as we ought to have. In that respect, I would request from this committee whichever of the sworn statements or statements of witnesses that it has received that we might be able to use to continue our investigation and also the transcripts of the witness' testimony.

The CHAIRMAN. We will provide the Justice Department and the FBI with all the information we have, and we will cooperate fully with you and help you in every way we possibly can to straighten this up.

I take it, then, that you are going to put some people on this? Tough good people?

Mr. TROTT. I am prepared to put people directly from the Criminal Division, working directly with the U.S. attorney down in Louisiana, to make sure that we cover this adequately.

[The prepared statement of Mr. Trott follows:]

U.S. Department of Justice

Washington, D.C. 20530

STATEMENT

OF

STEPHEN S. TROTT
ASSISTANT ATTORNEY GENERAL
CRIMINAL DIVISION

BEFORE

THE

COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

CONCERNING

INVESTIGATION OF CORRUPTION IN WORK PLACEMENT
BY LABOR UNIONS

ON

February 29, 1984

SUMMARY

The United States Attorney for the Western District of Louisiana has declined prosecution in an investigation by the FBI concerning alleged corrupt payments to labor union officials by employees affiliated with the Operating Engineers Union in Louisiana. The investigation involved the reported practice whereby individuals who desired to work on jobs for which a particular local union supplied labor were allegedly solicited to make corrupt payments for the personal use of local union officials or risk loss of union assistance in obtaining such work. Such practice violates federal criminal law only if the work placement is acquired by a corrupt payment to the union official.

Prosecution of these payments under the union theft statute (29 U.S.C. 501(c)), the mail fraud statute (18 U.S.C. 1341), and the commercial extortion statute (18 U.S.C. 1951) often depends on the presence of elements which may be only incidental to the corrupt payment and underlying abuse, for example, misuse of union property, use of the mails, and a direct interference with the interstate movement of labor or goods. Therefore the Department of Justice asks the Committee to study a proposal introduced in the 97th Congress which would have directly outlawed corrupt payments to union officials concerning admission to union membership and work placement.

Mr. Chairman, I am here today in response to your request to the Attorney General for the Department of Justice's comments concerning an investigation which involved Local Union 406 of the International Union of Operating Engineers in Lake Charles, Louisiana. Although we are not at liberty to discuss certain investigative matters concerning Local Union 406 which are still pending, we understand that the Committee wishes to focus on a particular investigation which involved allegations that Local Union 406 officials had corruptly solicited and collected monies from employees in return for continued employment and/or work referrals on jobs for which the Local Union furnished labor. The primary purpose of these collections was allegedly to assist the senior business agent of Local Union 406 to repay legal debts which he had incurred in connection with criminal prosecution arising from labor violence during 1975-76 in ths Lake Charles area.

As the Assistant Attorney General for Legislative Affairs advised the Committee by letter dated November 21, 1983, the United States Attorney's Office for the Western District of Louisiana determined in 1983 that no prosecution was warranted with respect to this particular investigation. Although the Federal Bureau of Investigation interviewed approximately two hundred (200) Local Union 406 members and affiliated persons, only one witness would testify as to a definite connection between job referrals and the collection of monies by Local 406 representatives for purposes other than the legitimate payment of membership dues and uniformly assessed fees due the union treasury. Although the investigation indicated that approximately $5,000 may have been collected from employees during the period between July 1978 and March 1980, the United States Attorney's Office concluded that the precise disposition of these collections could not be sufficiently substantiated because of the lack of records or other corroborating information. In the case of the underlying substantive offenses which were the primary focus of investigation, without other corroborating evidence, the statement of a single individual who was solicited for payment is not likely to satisfy the government's burden of proof required for prosecution. In addition, a perjury prosecution in connection with certain grand jury testimony was considered by the United States Attorney and rejected as not having a sufficient likelihood of conviction if prosecution were pursued.

The allegations of corrupt activity which were made in this particular investigation are similar to those which were considered by this Committee in hearings held in May 1982 and in June and August 1983. As Deputy Assistant Attorney General John Keeney advised the Committee at the June 1983 hearing, the Department of Justice has prosecuted cases involving corrupt payments made to union officials by prospective employees in return for union memberships, job classifications, and work placement generally. We have successfully pursued criminal prosecution under the federal statute covering theft of union property (29 U.S.C. 501(c)), the federal mail fraud statute (18 U.S.C. 1341), and the federal statute which proscribes extortion affecting interstate commerce (18 U.S.C. 1951).

Let me note first, however, that all of these prosecutions require a corrupt payment to the union official by the prospective member or employee to which the official is not entitled. In other words, the payment of an otherwise bona fide initiation fee, membership dues, or work permit fee into a union treasury as uniformly required of all union members or job applicants is not an adequate basis for prosecution under these criminal statutes. A demand for and/or the receipt of the corrupt payment by the union official for his own or another's personal use is the essential fact which is required in our view to prove the defendant's criminal intent to misuse union property, defraud the union and its members, or wrongfully obtain the victim's money by extortion. Therefore the primary object of the investigation is to determine whether corrupt payments have occurred in connection with the alleged abuse of union membership or work placement procedures.

Since the United States Court of Appeals, Second Circuit, issued its decision in United States v. Robinson, a case involving the corrupt sale of union forms dealing with job classification in the maritime industry, we have a had a useful vehicle to prosecute many of these types of cases under the theft of union property statute in the Landrum Griffin Act. The theory of the prosecution is that the union officer steals the property of the union when he issues a union membership card, work permit card, membership application form and the like in return for a corrupt payment made to him personally. One prosecution involving officials of the Pipefitters' Union in West Virginia used this statute in part to prosecute corrupt payments made by over 100 prospective members which amounted to over $280,000 paid during a two (2) year period. The problem with this prosecutive vehicle is that in those cases where the union officer only provides information or otherwise does not misuse an item of union property in return for the corrupt payment, the likelihood of successfully using the union theft statute is greatly diminished. The Local Union 406 investigation did not disclose a definite connection between the solicited payments and a misuse of union property.

Another prosecutive vehicle is the federal mail fraud statute which has been successfully used where the union official also devises a scheme to defraud the union and its members of the right to select its members by the criteria established in the union's constitution and bylaws. This type of prosecution may typically involve proof of the criminal defendant's misrepresentation of the prospective member's eligibility for membership. Other fraud schemes have also been prosecuted. In May 1982 the Committee heard testimony about an individual who was convicted of mail fraud in Delaware after he had misrepresented to prospective members the existence of a bona fide local union through which memberships could be obtained. The prosecution of all of these frauds under federal law, however, depends on proof of the defendant's foreseeable use of the mails or interstate wire transmissions which are not present in the case of corrupt transactions conducted by the participants on a face-to-face basis. The Local 406 investigation did not disclose such a use of the mails or interstate wire facilities.

Thirty-six years after passage of the Hobbs Act, the federal statute which covers extortion and robbery affecting interstate commerce, a federal appellate court concluded for the first time in 1982 that the robbery of an individual prospective employee, as contrasted with the robbery of a commercial business person, could be prosecuted under this Act where the movement of employees or goods in interstate commerce was affected directly by the robbery or extortion. We think that decision can be of significant assistance in prosecuting cases where a prospective employee is the victim of a union official's extortion of a corrupt payment using the employee's fear of job loss or loss of opportunity to work. However, for that reason, we were disappointed to learn that another federal appellate court had decided in 1982 that there is no prosecutive jurisdiction under the federal extortion statute where an individual employee, as opposed to a business person, is the victim of an extortion which only affects interstate commerce indirectly, that is, where the extortion only depletes the victim's ability to purchase goods and services from the channels of commerce. In other words, prosecution under the Hobbs Act is likely to require proof of interstate travel by the employee victims in these cases. In addition to the lack of evidence indicating such a direct effect on interstate commerce by the collections solicited in the Local 406 investigation, the investigation disclosed only one instance where an employee would testify that a Local 406 representative had stated that job referral depended on a contribution payment for another union official's use thereby indicating the possible presence of extortion by means of economic reprisal.

Therefore, as we have requested in prior communications with the Committee, we would appreciate the Committee's consideration of the kind of legislation which was included in previous Federal Criminal Code Reform bills with respect to the issuance of union memberships or work placement by unions. I refer to labor bribery legislation which would have outlawed corrupt payments by any person to a union official relating to an admission to membership or a referral for employment. The labor bribery provisions of S.1630 which was introduced in the 97th Congress would have eliminated the need to prove elements which may be only incidental to the corrupt payment and underlying abuse in these cases, for example, misuse of union property, use of the mails, and interstate travel.

We will be pleased to assist the Committee in its consideration of that particular type of legislation or any legislative vehicle which the Committee believes may be more appropriate. We would welcome your review of this proposal as a means of dealing with a serious problem.

Mr. **Clarke.** I have a brief statement, Senator. With your permission, I would like to just go over it. It basically outlines the investigation that has been conducted by the FBI to date in this matter, and it will summarize for you the information that we have had available to us, and that will point out, additionally, that some of the information that has come up as a result of these hearings is new information to us also. It is a brief statement, and with your permission I would like to go over that with you.

The FBI became involved in this investigation on September 7, 1979, when a union member, who requested confidentiality, advised that he had been approached to help defray legal expenses incurred by a union official.

By way of background, a union-sanctioned engineers legal defense fund was established in early 1976 and discontinued in June of 1979. That fund was comprised of voluntary contributions made by members of local 406 to help defray the legal expenses incurred by union members during a litigation that followed labor violence at Ellender Bridge site, Hackberry, La., in April 1975, and at Jupiter Chemical Co., Westlake, La., in January 1976.

Following the discontinuance of the union-sanctioned defense fund, it was alleged that additional collections were made from union members and permit affiliates to help defray the legal expenses of a Lake Charles, La., union official. The alleged fund was not sanctioned by the union.

During the period of January 30, 1980, through February 27, 1980, four additional personal complaints were received, one of which was from a local 406 permit affiliate who provided information relating to payments to the nonsanctioned fund. An anonymous letter was also received by the Department of Labor on February 5, 1980, complaining of collections from permit affiliates for officials to pay legal expenses. The author of the letter also implied that a union official required contractors to use the heavy equipment of a specific supplier on union jobs, and that he received direct financial benefit as a result. The letter was forwarded to the FBI in New Orleans for appropriate action.

Another allegation that was initially received on September 7, 1979, pertained to illegal payments to union officials by contractors. Approximately 10 to 12 contractors were interviewed concerning payments for rental equipment allegedly owned by the official of local 406. These interviews failed to corroborate that allegation.

Beginning in January of 1980, approximately 200 permit affiliates of local 406 and regular members of the Operating Engineers Union, who had traveled from other States, were interviewed concerning payments made to the nonsanctioned fund. A total of seven FBI field divisions, in addition to our New Orleans office, were involved in these interviews. Of the 200 interviews, 14 of those interviewed admitted making payments to the nonsanctioned dues. The 14 members who admitted making payments indicated that those payments ranged from $20 to $500, depending upon the duration of their employment, and some expressed concern that their jobs could be in jeopardy as a result of their cooperation with the FBI.

Another facet of the investigation pertained to charges of embezzlement of permit service dues. During the course of the investigation, we were informed that permit service dues in the amount of

$1,170 were alleged to have been paid by three permit affiliates. These dues were collected from permit holders until they were eligible for initiation into the union. A review of relevant records showed no indication that the service dues were paid, which could support the allegation of an embezzlement. However, even if an embezzlement had occurred, the records did not establish responsibility, and no other corroborating evidence was developed to substantiate these allegations.

During June of 1981, a Federal grand jury sitting in Lafayette, La., heard testimony in this matter. Twenty-eight permit affiliates were subpenaed to testify before the grand jury. However, only 14 actually appeared because the allotted grand jury time had elapsed. A local 406 official and another union member who were alleged to have been involved as collectors of the nonsanctioned fund were lodged at a nearby motel in Lafayette during the grand jury proceedings.

During July of 1982, another Federal grand jury heard testimony concerning alleged collections of money for the nonsanctioned fund. After a review of the investigation and the Federal grand jury proceedings conducted up to that time, the assistant U.S. attorney assigned to the case indicated his intention to decline prosecution in a letter dated April 1, 1983.

During the period following April 1, 1983, to September 20, 1983, discussions concerning this investigation were held between the FBI and the U.S. attorney's office. Evidence was again reviewed by another assistant U.S. attorney. On September 20, 1983, this assistant U.S. attorney also declined prosecution and cited as his reasons weak or insufficient admissible evidence. Upon receipt of that letter, the FBI terminated its investigation in this case.

The CHAIRMAN. Thank you, Mr. Clarke. I thank both of you for testifying. I particularly appreciate your testimony, Mr. Trott. I think you have done what is right in coming in and indicating that something much more needs to be done.

Now let me ask some questions. I do not want to offend either of you, but I am going to ask some tough questions. The purpose is not to embarrass anybody but to see what we can do to stop this kind of thing that goes on in our country. I suspect that an awful lot of the reason there was such a lack of cooperation is that people were intimidated and scared to death down in that area. These people are bullies. When we have bullies, it seems to me sometimes we have those of us up here who can stop that and get in and do something.

Mr. Clarke, I would like to address several questions to you first. As I understand, the investigation of local 406 was initiated as a result of a complaint filed by a member of the local alleging, (1) first, that members were forced to make payments to a legal defense fund or lose their jobs, and (2) second, that contractors were forced to rent equipment from an equipment rental company to avoid labor disputes. That is correct, is it not?

Mr. CLARKE. To rent equipment from a particular supplier that would result in a financial benefit to him.

The CHAIRMAN. And avoid certain labor problems?

Mr. CLARKE. Yes.

The CHAIRMAN. As a result of this complaint the FBI, as I understand it, initiated an investigation involving more than 200 members of local 406 and approximately 10 contractors; is that correct?

Mr. CLARKE. That is correct.

The CHAIRMAN. Mr. Clarke, of the 200 members interviewed, 14 provided statements that either corroborated or correlated with the original complaint that payments were made to the union's legal defense fund after an explicit or implicit threat was made that those members who did not pay would lose their jobs. Is that statement correct?

Mr. CLARKE. Basically, the problem with the part that relates to the implied or explicit threat, I think that needs a little clarification. Many of the 14, in their presentation to the interviewing agent, indicated that this was an expected and an accepted practice, that they did not really have to be threatened because it was an understood problem.

The CHAIRMAN. They knew they had to do it or they were going to lose their jobs.

Mr. CLARKE. That was the assumption. The person making the collections did not explicitly tell them, "If you do not pay, you will lose your job." That occurred in some instances, but basically the people who admitted paying said that they were approached, and the typical scenario would be, "You owe your job to this particular union official, and one hand washes the other. Therefore, we know that you would want to contribute to help defray his legal expenses."

The CHAIRMAN. What about Mr. Cotherton who got beaten up? All these witnesses who testified yesterday, they had explicit evidence and testified here yesterday that they were told that there would not be any job for them. In fact, they lost their jobs as a result of these types of activities.

Mr. CLARKE. As I said earlier, some of the information that has come out as a result of this hearing is new information.

The CHAIRMAN. It bothers you, does it not?

Mr. CLARKE. It most certainly does.

The CHAIRMAN. Something has to be done about it.

Mr. CLARKE. Absolutely.

The CHAIRMAN. As I understand it, of the 10 contractors interviewed, none would state that they had made payoffs to union representatives; is that correct?

Mr. CLARKE. That is correct.

The CHAIRMAN. Not any of them. Twenty-eight witnesses were subpenaed to appear before the grand jury but only 14 were actually called prior to the grand jury being discharged; is that correct?

Mr. CLARKE. That is my understanding, yes, sir.

The CHAIRMAN. The second grand jury was subsequently empaneled, but the Department of Justice decided to drop that case. Is that correct, Mr. Trott?

Mr. TROTT. That is accurate.

The CHAIRMAN. I think that is a terrible mistake.

Mr. TROTT. Yes, in this respect. First, let me say that, as Mr. Clarke indicated, we are dismayed to see now what the testimony is before the committee. I am at somewhat of a disadvantage in that because of rule 6, with which you are certainly familiar, I am unable to go into the details of the witness' testimony before the grand jury. Now, the witnesses are, but I am not.

The CHAIRMAN. Not even the witnesses. The Justice Department has taken the position in the past that even witnesses cannot talk about this.

Mr. TROTT. Witnesses are specifically advised that they are not under any compulsion to not discuss their testimony, that they are free to do that outside. We cannot discuss it, but they are not prohibited.

All I can say in that respect is, I remain convinced that the decision of the assistant U.S. attorney was made in good faith. The problem here is that there was not enough of an assumption, based on past history in that area, that there may have been coercion or obstruction, and that we were not getting at the facts. That is where I think we remain. As we look back now at what was done, it becomes clear that not enough attention was paid—and I am accepting the responsibility on the prosecutorial arm of this team. I think the FBI did an adequate job. I am not convinced that the prosecutorial team dug deeply enough beneath the surface to make sure that we were getting facts.

The CHAIRMAN. I really believe the FBI did not dig deeply enough either. I understand you are overwhelmed.

Mr. TROTT. I was moving to the grand jury aspect of this. It was somewhat dismaying to discover that we had 28 potential witnesses brought to the grand jury and yet we only used 14. I wished I could get into the head of the assistant U.S. attorney and give you the reason that the rest of these witnesses were not pursued at that juncture, and there may very well be a good one. But once again, we fail to grapple with the problem down there that intimidation exists, and you cannot be sure on the basis of what somebody tells you, that you are really getting at a true predicate of exactly what happened.

The CHAIRMAN. You never know when one of those 28 might be the perfect witness who really is unafraid to tell the truth, regardless of how tough it is, regardless of the threat of the loss of their life or brutality or beatings or whatever.

Mr. TROTT. Under these circumstances, it would have been more appropriate to put all 28 witnesses on rather than just the 14.

The CHAIRMAN. As I understand it, the second grand jury was subsequently impaneled, but the Department of Justice decided to drop the case.

Mr. TROTT. That is true. There was a judgment call based on the state of the evidence at that time, on the basis of the superficial appearances, that there was insufficient evidence to proceed. I remain convinced that was a good-faith call, but I would have liked to have seen a deeper digging into the predicate for it.

The CHAIRMAN. Was a formal letter or declaration written by the Justice Department, stating why the case was closed?

Mr. TROTT. I believe there was a communication.

The CHAIRMAN. Could a copy of that document be submitted to the committee? I do not see any reason why not.

Mr. CLARKE. We have a letter from the U.S. attorney's office that sets forth their review and reasons for a declination, and we would be happy to make that available.

The **Chairman**. Do you have it with you here today?

Mr. **Clarke**. I have a copy.

The **Chairman**. I will get that copy.

[The information referred to follows:]

U.S. Department of Justice
Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

March 9, 1984

Honorable Orrin G. Hatch
Chairman, Committee on Labor
and Human Resources
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

This is a response to your request made at the Committee's hearing held on February 29, 1984, for a copy of correspondence by which criminal prosecution was declined in 1983 following an investigation of Operating Engineers Local Union 406, Lake Charles, Louisiana. Portions of that correspondence are enclosed in two (2) letters from the United States Attorney's Office to the Federal Bureau of Investigation dated April 1, 1983 and September 20, 1983, respectively.

As Stephen S. Trott, Assistant Attorney General, Criminal Division, and Floyd I. Clarke, Inspector-Deputy Assistant Director, Federal Bureau of Investigation, explained at the hearing, Rule 6(e) of the Federal Rules of Criminal Procedure prohibits us from disclosing to the Committee matters occurring before the grand jury which investigated certain activities involving Local Union 406 unless a court order is obtained in accordance with Rule 6. The Supreme Court recently held that if the primary purpose of disclosure is not to assist in the preparation or conduct of a judicial proceeding, disclosure by court order of matters covered by Rule 6 is not permitted. United States v. Baggot, 103 S. Ct. 3164, 3167 (1983). Although the Department of

Justice has been able to disclose pursuant to court order materials covered by grand jury secrecy to the Senate Ethics Committee in connection with proceedings involving the Senate's possible discipline of its members, a Senate Committee's general oversight proceedings do not constitute a "judicial proceeding" for purposes of Rule 6(e). *See, e.g.*, *In re Grand Jury Impanelled October 2, 1978 (79-2)*, 510 F. Supp. 112, 114 (D. D. C. 1981); *see also*, *In re June 20, 1977 Concurrent Grand Jury Investigation (J. Ray McDermott & Co.)*, 622 F.2d 166, 170-171 (5th Cir. 1980) where the United States Court of Appeals, Fifth Circuit, distinguished "quasi-judicial" proceedings such as attorney disciplinary hearings and fact-finding proceedings which do not require resort to litigation and adjudicatory procedures (administrative agency investigation of possible price fixing).

Therefore, we have been compelled to excise those portions of the correspondence which contain references to grand jury testimony and/or accounts of what occurred before the grand jury. Even the more liberal judicial interpretations of grand jury secrecy do not except testimony and the inner workings of the grand jury from the scope of matters covered by the Rule.

We regret that we cannot further accommodate the Committee in regard to your request. However, the correspondence does fairly state the United States Attorney's conclusions with respect to the overall investigation which had been conducted up to the time each piece of correspondence was written. We believe that Assistant Attorney General Trott's statement which was entered in the record of the February 29 hearing states the basis of the declination of prosecution in 1983 as fully as the law governing grand jury proceedings permits. We look forward to reviewing the transcript of the Committee's hearings on February 28 and 29 in order to renew the investigation into those matters about which the Committee has uncovered new evidence and to undertake the investigation of significant allegations of obstruction of justice which were made in the Committee hearings.

Sincerely,

Bob

Robert A. McConnell
Assistant Attorney General
Office of Legislative Affairs

Enclosures

U.S. Departmen[illegible]ustice

United States Attorney
Western District of Louisiana

8B12 Federal Building
United States Courthouse
500 Fannin Street
Shreveport, Louisiana 71101

Branch Office:
305 Federal Building and
United States Courthouse
705 Jefferson Street
Lafayette, Louisiana 70501

April 1, 1983

SA Steve Ek
FBI
P. O. Box 1339
Lake Charles, LA 70602

Re: Willard Carlock

Dear Steve:

Recently, I re-reviewed the Carlock file I talked with several Department of Justice attorneys who handle only union and labor cases, such as this. The combined consensus of opinion, in light of the law on Title 18, United States Code, Sections 186 and 501 was that this case had a low probability of success on the merits. Further, the amount of money obtained was relatively nominal.

I am advising this to provide you with an opportunity to discuss this matter with our office or to submit further information. Otherwise, this case will be declined effective April 11, 1983.

Thank you for your cooperation in this matter.

Sincerely,

JOSEPH S. CAGE, JR.
United States Attorney

By: Paul A. Sprowls
PAUL ALAN SPROWLS
Assistant United States Attorney

PAS:vt

U.S. Departme[illegible]ustice

United States Attorney
Western District of Louisiana

September 20, 1983

3812 Federal Building
United States Courthouse
500 Fannin Street
Shreveport, Louisiana 71101

Branch Office:
305 Federal Building and
United States Courthouse
705 Jefferson Street
Lafayette, Louisiana 70501

Mr. Edmund J. Pistey
Special Agent in Charge
Federal Bureau of Investigation
Post Office Box 51930
New Orleans, Louisiana 70150

Attention: Special Agent Steven J. Ek

Re: Willard S. Carlock, Sr.
New Orleans No. 159-170

Dear Sir:

As a result of recent conversations between the writer and Special Agent Steve Ek of the Lake Charles, Louisiana, Resident Agency office, the United States Attorney's file re captioned matter was reevaluated, in light of the declination by Assistant United States Attorney Sprowls on April 21, 1983.

During the period of time since April, 1983, it has come to the attention of the United States Attorney's Office that the Carlock matter has become an item of interest to the Hatch Senate Subcommittee, probably due to the efforts of certain private citizens in Lake Charles who are, or were, engaged in Civil litigation concerning the Operating Engineers Local 406.

Of interest was the notation by AUSA Sprowls of the primary reasons for declination, that being weak or insufficient admissible evidence and problems with potential Government witnesses. With these reasons in mind, a review of the case was undertaken to determine the prosecutive potential of any case against Willard Carlock, Sr.

It has been concluded that the basis of the allegations against Mr. Carlock was that he and certain of his associates instituted an unauthorized legal defense fund for the purpose of paying off legal obligations incurred by Carlock in the hiring of one Percy Foreman to defend him in a local criminal prosecution concerning the Jupiter incident. Review of the United States Attorney's file fails to substantiate through credible evidence that Carlock did in fact owe any fees to Percy Foreman. Likewise, it could not be established through credible evidence that any monies collected by associates of Carlock ever flowed to Carlock.

The declination of the Carlock case rendered by AUSA Sprowls was based upon an evaluation of the above evidence, and in my opinion he was entirely correct in declining the case due to weak or insufficient admissible evidence.

Due to the above, the United States Attorney's Office declines prosecution in the matter concerning Willard Carlock, Sr., due to insufficient evidence and lack of credible witnesses. The United States Attorney's Office further declines prosecution with regard to Houston Byrd, due to insufficient evidence to sustain a conviction.

Yours very truly,

JOSEPH S. CAGE, JR.
United States Attorney

By
GERALD J. BERTINOT, JR.
Assistant United States Attorney

GJB:db

Mr. CLARKE. One thing, Senator. I would like to request your indulgence, that we have the opportunity to review it to insure that it does not contain any grand jury material——

The CHAIRMAN. I am beginning to wonder about rule 6(e). I really wonder sometimes if we should have that rule. It really does deter getting to the bottom of some of these things that really need to be gotten into. I would like you to do that, but you will provide a copy of that letter to us.

Mr. TROTT. To the extent that legally we can, we absolutely will.

The CHAIRMAN. I will tell you one thing I do want you to do. I want to see the full letter personally, as chairman of this committee.

Mr. TROTT. That may take a court order, but we will do everything we can legally do to try to make that possible.

The CHAIRMAN. I would like you to get the court order, if necessary.

Mr. TROTT. We will make every attempt. I hate to sound hesitant here, but you are probably familiar with the *Sells* and *Baggot* decisions of the U.S. Supreme Court, which has really thrown a wet blanket over our ability to share information.

The CHAIRMAN. I understand, and the Justice Department supports that with a great deal of zeal. I do not blame you. I have to admit, nobody wants to be second guessed. Nobody wants to have these documents show up. But here we have a situation that really is bad. There have been some terrible injustices occurring here. You admit them, I am admitting them. All of us could have done a better job. It is always easier in retrospect to criticize, too, and I understand that. I am not necessarily out to find fault. I just want to get to the bottom of it. I want this to stop, I want to help our people, and I get a little tired when every time somebody does any investigation into the unions and racketeering and corruption, they have to be a union-baiter or anti-union person.

I think the most prounion people in this country are people who stand up for the little guys who work in the unions. I was one of those. I understand what this is like. I understand what it is like to have people who just run their own shop the way they want to run it, regardless of what it does for the little people. I have been there. I have seen some of these business agents just run that thing like they own the lives of everybody who worked in the union. I think it is time we worry a little bit more about the workers in this country and a little bit less about the union leaders.

I am a little bit concerned about it, but we would like that document, and I would like you to do everything in your power to make sure that I see every word in that document. I will keep it confidential, but I think as a committee chairman, I should have the right to see that, especially in a situation like this where I am convinced—and I think where you are convinced—that there has been a tremendous injustice. If there is some fault, then that fault ought to be assessed. I am willing to understand that mistakes were made, and we have made plenty of them. I have made plenty of mistakes. But sometimes it is important for us to bring those out so that they are made less frequently in the future.

I do not think anybody does a better job than the FBI. I really do not. But I also know you make mistakes, and you know you make mistakes. In this case, I think maybe Mr. Ek was just too overwhelmed down there. I feel confident that he is an excellent agent, but I also feel confident that he was somewhat overwhelmed. Maybe he did not look at it as seriously as he should have or look through the intimidation aspects of these people and the bullying. There was plenty of reason to do that after the two or three incidents we mentioned yesterday.

Let me just go a little bit further. In your prepared statement, Mr. Trott, you imply that there were two problems with the case involving the Operating Engineers Local 406. One was factual and the other was procedural. First, you admit today that you did not have the necessary factual basis to move forward. Only one witness testified about illegal payments being forced from the rank-and-file members of the union. I think I am correct so far in stating that much.

Mr. TROTT. Yes.

The CHAIRMAN. Second, you believe you face a jurisdictional problem. Your statement seems to indicate that under 18 U.S.C. 1951 of the Federal code, the Justice Department cannot bring any action involving extortion where the individual being extorted has not crossed State lines or it is impossible to show an effect on interstate commerce. I am correct on that as well?

Mr. TROTT. That is correct.

The CHAIRMAN. As I understand it, your reading of the decision in *U.S.* v. *Mattson* is that where an individual is the party being extorted, as opposed to an organization, the effect on the interstate commerce requirement contained in the statute must be satisfied by something more than a removed incidental effect; is that correct?

Mr. TROTT. That is correct. The depletion-of-assets theory has not been applied to individuals who are being extorted in their capacity as individuals. That is a Seventh Circuit decision with which we would have to cope under these circumstances.

The CHAIRMAN. Similarly, you also would have had jurisdictional problems if you had tried to bring suit under the theft of union property statute, which is 29 U.S.C. 501(c), and the Federal mail fraud statute, 18 U.S.C. 1341; that is correct also?

Mr. TROTT. That is right. We were unable to find any factual situation where one of the people involved had been traveling across State lines. So everywhere we looked for a legal hook, it was not as sharp as we would have liked it to have been.

The CHAIRMAN. Would the outcome be different in a case brought under 18 U.S.C. 1951 if those who were being extorted were in fact from another State?

Mr. TROTT. Yes, and if the travel had been involved in an interstate situation, such as the case that was decided recently in the Ninth Circuit. It was sort of an analogy, involving people traveling from Mexico to work in the United States, and the extent of the robbery aspect of the Hobbs Act to that situation. So had we had that type of a situation, we would have been in a much better position; there is no question about it.

The CHAIRMAN. In this case, the outcome would be different if the union official told an out-of-State employee to contribute to the legal defense fund or he would lose his job?

Mr. TROTT. I believe that is correct.

The CHAIRMAN. Mr. Clarke, when the FBI initiated the investigation, did the FBI first contact the local U.S. attorney and discuss the nature of the proposed investigation?

Mr. CLARKE. That is correct, Senator. The complaint came to us on September 7, 1979, and on September 8, the agent who received the complaint had a discussion outlining the nature of the complaint with an assistant U.S. attorney.

The CHAIRMAN. I do not believe anybody can question the Bureau's interest in this case, and I think the involvement was quite extensive in investigating the allegations in the complaint. You have indicated it was a major investigation involving at least seven field divisions. Is that correct?

Mr. CLARKE. In addition to the New Orleans office.

The CHAIRMAN. Gentlemen, the original complaint specifically focused an coerced payments to a legal defense fund. What was the statutory violation you thought had occurred which resulted in the extensive investigation?

Mr. CLARKE. The statutes that we were looking at as a result of the initial complaints were the Hobbs Act, title 18 U.S.C. 1951, also the potential of mail fraud, and potential violations of 29 U.S.C. 501(c) and also the Taft Hartley Act.

The CHAIRMAN. What was the legal basis for taking the investigation before the grand jury? Maybe you could tell us that, Mr. Trott.

Mr. TROTT. Essentially, the legal basis would have been either one of those approaches to the case to attempt to find an offense. It was the belief that we were in an area where we might be able to develop evidence of an offense falling under one of those statutes.

The CHAIRMAN. As I understand it, you based the investigation on 18 U.S.C. 1951.

Mr. TROTT. 1951 was involved; the possibility of mail fraud and 501(c) was also contemplated.

The CHAIRMAN. But during this period, the seventh circuit came down with this very interesting case, *U.S.* v. *Mattson,* which basically undercut your investigation; is that correct?

Mr. TROTT. The answer to that is yes, and the specific date of the *Mattson* opinion is February 23, 1982.

The CHAIRMAN. I have to admit that the legal basis you have before you today is still adequate to bring suit on the allegations against local 406. To be honest, after reviewing the three cases that you refer to in your prepared statement, I am somewhat surprised that some of the people who worked for you had such a willingness to concede defeat on the legal questions so quickly. According to your staff, Mr. Trott, the three cases which you either cite or refer to in your statement are *U.S.* v. *Robinson, U.S.* v. *Mattson,* and *U.S.* v. *Hanigan.*

I would like to put copies of those decisions into the record at this time.

[The cases referred to follows:]

**UNITED STATES of America,
Appellee,**

v.

**Alleyne F. ROBINSON et al.,
Defendants-Appellants.**

Nos. 686, 698, 703, Docket 74–2483, 74–2492 and 74–2541.

United States Court of Appeals,
Second Circuit.

Argued Feb. 20, 1975.

Decided March 17, 1975.

Defendants were convicted before the United States District Court for the Southern District of New York, Dudley B. Bonsal, J., for conspiracy to violate, and actual violations of, statute which prohibits embezzlement, theft or conversion by a union officer or employee of any of the money or other property of a union, and they appealed. The Court of Appeals, Mulligan, Circuit Judge, held that group application forms of union were subject to criminal conversion by union officer and employees, despite contention that forms had no intrinsic value; and that claimed conversion by union official and employees of group application forms allegedly used in obtaining spurious, unqualified members for a fee was within reach of statute proscribing conversion of union property.

Affirmed.

1. Conspiracy 🔑47(3)

In prosecution for conspiracy to violate, and actual violation of, statute which prohibits conversion by union employee of property of union, evidence, including evidence of illicit payments by seamen to employees and employees' presence when seamen executed forms in blank in order to procure certain status, sustained conviction as respects application forms. Labor-Management Reporting and Disclosure Act of 1959, § 501(c), 29 U.S.C.A. § 501(c).

2. Labor Relations 🔑1051

Group application forms of union were subject to criminal conversion by union officer and employees within proscription of statute, despite contention that forms had no intrinsic value. Labor-Management Reporting and Disclosure Act of 1959, § 501(c), 29 U.S.C.A. § 501(c).

3. Labor Relations 🔑1051

Claimed conversion by union official and employees of group application forms allegedly used in obtaining spurious, unqualified members for a fee was within reach of statute proscribing conversion of union property, despite contention that there was no statutory violation since union lost nothing and in fact benefited to extent that it obtained dues of new members, where, insofar as process of allocation of jobs by priority was frustrated by scheme employed, union and its bona fide members suffered a loss which, although not readily calibrated in terms of dollars, was nonetheless real. Labor-Management Reporting and Disclosure Act of 1959, § 501(c), 29 U.S.C.A. § 501(c).

T. Barry Kingham, Asst. U. S. Atty., New York City (Paul J. Curran, U. S. Atty. for the Southern District of New York, Lawrence S. Feld, Asst. U. S. Atty., of counsel), for appellee.

Manuel Taxel, New York City (Louis Noah Forman, New York City), for defendant-appellant Alvarez.

Phylis Skloot Bamberger, New York City (The Legal Aid Society, New York City), for defendant-appellant Villegas.

Samuel Zuckerman, New York City, for defendant-appellant Robinson.

Before ANDERSON, MULLIGAN and VAN GRAAFEILAND, Circuit Judges.

MULLIGAN, Circuit Judge:

These are appeals by Alleyne F. Robinson, Jose Antonio Acosta Alvarez and Joseph M. Villegas from judgments of conviction entered on November 7, 1974 in the United States District Court for the Southern District of New York after a two-week jury trial before Hon. Dudley B. Bonsal, United States District Judge. The indictment in various counts charged the three defendants with a conspiracy to violate, as well as substantive violations of, 29 U.S.C. § 501(c) by the conversion of the property of the National Maritime Union (NMU), where Robinson served as an official and his co-defendants as employees. The defendants were convicted on all counts on which they were tried. Robinson received a one-year suspended sentence, was placed on probation for one year and fined a total of $1000 to be paid during the year of probation. Alvarez and Villegas were sentenced to probation for three months and a fine of $250 to be paid within that time.

I

The NMU is a labor organization representing unlicensed seamen on commercial and Government vessels, including those operated by the Government's Military Sea Transportation Service (MSTS). The NMU divided seamen into groups for the purpose of allocating work. In 1968–70, only full-fledged members of the NMU were classified in Group I. Seamen who were in three lower groups could compete for jobs on a priority basis only after Group I seamen had been offered the opportunity. To qualify for Group I status a seaman had to have served at least 800 days at sea on NMU vessels within a five-year period. To establish eligibility for Group I status certain forms had to be completed by the applicant. If he had served on commercial vessels, he would complete a "white form" and furnish copies of "discharges" received at the end of a voyage to support his claim of time at sea. This information then had to be verified by the NMU staff at headquarters, where records were kept of Pension and Welfare Fund contributions by commercial employers; these contributions were computed according to the amount of each NMU member's seatime. If the seaman claimed MSTS service, he would complete a "green form" detailing his time at sea on MSTS vessels, which the union could verify by checking MSTS personnel files in Brooklyn. Upon verification a Group I union book and "blue card" would be issued and the seaman would pay a $150 initiation fee and $30 for quarterly dues thereafter.

Robinson, who was an elected official of the Union, acted as a liaison between the seamen aboard vessels in port and the shore-based union offices. He also maintained an office in the NMU hall in New York City, where his particular responsibility was to handle the processing of applications for seamen who claimed MSTS experience.

On trial, the Government produced nine seamen who had applied to Robinson for Group I status although they admittedly lacked the necessary experience at sea. Five of the seamen were introduced to Robinson by Villegas and Alvarez, who were respectively a Patrolman and a Master-at-Arms of the NMU. Villegas and Alvarez charged the seamen fees ranging from $500 to $750 to get Group I classification.[1] The Government's proof established that, in the case of six seamen who had executed the green (MSTS service) forms, when the forms were returned by Robinson they contained entries of sea service which were false and had not been given to Robinson. All of the forms when returned to the NMU from the Brooklyn MSTS office bore the signature of E. U. Maynard in the space for verification by the personnel office of MSTS. Although Mrs. Maynard did not appear as a witness, the Government's theory was that she, as one of the two clerks in the MSTS office, was acting in concert with Robinson to verify falsely the forms which noted sea service which had never taken place.

[1] On appeal, Alvarez and Villegas challenge, *inter alia,* the sufficiency of the evidence on both the substantive and

---

[1] These five seamen paid fees to Alvarez or Villegas prior to meeting with Robinson. Other seamen paid various amounts, up to $850, to Robinson or unknown co-conspirators when the application forms were signed.

conspiracy counts. In view of the evidence of illicit payments by seamen to each man and their presence when these seamen executed forms in blank in order to procure Group I status, the claim that the evidence was insufficient is of no substance. Several other points raised by the appellants are frivolous.

II

The only argument raised on appeal which merits discussion is the position taken by all the appellants that the conduct which was the basis for the indictment and conviction here does not constitute a crime under 29 U.S.C. § 501(c). At the end of the trial, all defense counsel renewed their motions to dismiss on this ground, and Judge Bonsal denied the motions in a memorandum dated November 7, 1974.

Section 501(c) of the Labor-Management Reporting and Disclosure Act of 1959 provides:

> Any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use, or the use of another, any of the moneys, funds, securities, property, or other assets of a labor organization of which he is an officer, or by which he is employed, directly or indirectly, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

The theory of the Government is that the defendants conspired to convert, and that Robinson, aided and abetted by Alvarez and Villegas, did in fact convert to their own use and personal profit, the Group I application forms which were NMU property. The contention of the defendants was and is that the forms which were converted had no value and that the NMU actually profited from the activity of the defendants, who enriched the treasury of the NMU by adding new paying members. The argument continues that the legislative history of the statute demonstrates that, although broad fiduciary responsibilities for union officials were established in section 501(a)[2] of the statute, the criminal conversion and embezzlement subdivision, section 501(c), was not given a similarly broad scope. It is urged that, while the conduct involved here may constitute a violation of the fiduciary obligations of the defendants, the remedy is properly a civil action by the union or its employees under section 501(b),[3] which implements 501(a), but not a criminal proceeding under 501(c).

There is no question but that the legislative history of the statute reveals that the Congress was principally concerned with the looting of union treasuries by union leaders for their personal profit.[4] It is understandable that this kind of obvious abuse by union officials was the principal concern of congressional leaders in the hearings and debates which preceded the enactment of the statute in question. However, it is evident from the clear and unambiguous language employed by the statute that the behavior condemned is not limited to the embezzlement or conversion of union funds. The statutory language condemns the embezzlement or conversion not only of moneys, funds and securities, but also of "property, or other assets of a labor organization . . . directly or indirectly . . . ."

---

[2] Section 501(a) provides in pertinent part as follows:

> The officers, agents, shop stewards, and other representatives of a labor organization occupy positions of trust in relation to such organization and its members as a group. It is, therefore, the duty of each such person, taking into account the special problems and functions of a labor organization, to hold its money and property solely for the benefit of the organization and its members and to manage, invest, and expend the same in accordance with its constitution and bylaws and any resolutions of the governing bodies adopted thereunder, to refrain from dealing with such organization as an adverse party or in behalf of an adverse party in any matter connected with his duties and from holding or acquiring any pecuniary or personal interest which conflicts with the interests of such organization, and to account to the organization for any profit received by him in whatever capacity in connection with transactions conducted by him or under his direction on behalf of the organization.

[3] Section 501(b) provides in pertinent part as follows:

> When any officer, agent, shop steward, or representative of any labor organization is alleged to have violated the duties declared in subsection (a) of this section and the labor organization or its governing board or officers refuse or fail to sue or recover damages or secure an accounting or other appropriate relief within a reasonable time after being requested to do so by any member of the labor organization, such member may sue such officer, agent, shop steward, or representative in any district court of the United States or in any State court of competent jurisdiction to recover damages or secure an accounting or other appropriate relief for the benefit of the labor organization.

[2] It cannot be disputed that the green and white forms here were converted by the defendants and that they constituted union property. The argument that there was no violation of the statute because the forms had no intrinsic value is not persuasive. In the first place, the statute does not require that the property be of any particular value. The forms obviously were not taken to be used as scrap paper or to make paper hats. When, through the connivance of the defendants, the forms were filled in with false information, their value to the unqualified seamen was great enough to persuade them to pay $500 to $850 to the defendants to receive an NMU union book and blue card.[5]

[3] The contention that there was no statutory violation since the NMU lost nothing and in fact benefited by the transaction to the extent that it obtained the dues of new members is not convincing. The new members were spurious and presumably the privileges of Group I membership are dependent upon meaningful experiential norms which have been established in good faith by the union. The erosion of these standards

---

[4] For example, Senator McClellan, Chairman of the Senate Select Committee on Improper Activities in the Labor-Management Field, and Senator Curtis discussed on the floor of the Senate the union corruption at which the legislation was aimed:

> Mr. McClellan. That is correct. In the select committee we found many instances of violations of that trust. Probably the most flagrant instance was the Beck situation. Instead of assuming his responsibility and the obligation to handle union money as if it belonged to the union, he simply handled it for his own personal profit and gain. In other words, he pilfered nearly $400,000 of union funds, as we discovered.
>
> . . . . .
>
> Mr. Curtis. We uncovered a number of instances wherein union funds and profits were handled by corrupt officers, just as though they had a proprietary interest in the money.
>
> Mr. McClellan. Yes.
>
> Mr. Curtis. That situation obtained in some of the Johnny Dio unions in New York. It also was true of the operating engineers in San Francisco. In a number of cases individuals handled union money without regard to who owned the money.
>
> Mr. McClellan. Yes. I may remind my distinguished colleague—and I say this for the information of all Senators—that the Teamsters' Union in St. Louis was bought out and paid off. The officers were, in effect, bought out and the union was turned over to the person who is there now, Gibbons. How was that money obtained? The retirement pay money was used.
>
> Mr. Curtis. Or severance pay.
>
> Mr. McClellan. Yes. The retirment or severance pay money was given to the officers who were bought out.
>
> I do not think the union members, the working people, pay their dues in the unions for that sort of manipulation. If we establish a fiduciary responsibility under the law, I do not think union officers could perpetrate such acts.

[5] This situation is analogous to the stealing of blank checks, belonging to the United States, with an intrinsic value of a total of six cents, which was held to violate a statute making it a crime to steal "any kind or description of property belonging to the United States." Keller v. United States, 168 F. 697 (7th Cir. 1909) (*per curiam*). The intrinsic value of the converted forms in this case is similarly very small and the statute violated is similarly broad, prohibiting the conversion of "any of the . . . property . . . of a labor organization . . . ." See also Lotto v. United States, 157 F.2d 623, 629 (8th Cir. 1946), cert. denied, 330 U.S. 811, 67 S.Ct. 1082, 91 L.Ed. 1266 (1947); Donegan v. United States, 287 F. 641, 646 (2d Cir. 1922), cert. denied, 260 U.S. 751, 43 S.Ct. 251, 67 L.Ed. 495 (1923); Clark v. United States, 268 F. 329, 331 (6th Cir. 1920).

by the meretricious machinations of the defendant officials and employees constituted a breach of trust which cannot possibly be characterized as a benefit to the union. The only beneficiaries were the defendants who were selling fraudulent union credentials. The fact that union funds were not depleted does not remove the case from the reach of the statute. One of the aims of the criminal provision here involved was to preclude the unjust enrichment of union officials and agents, which was precisely what occurred here. The allocation of jobs by priority is certainly a principal benefit of union membership and, insofar as the process was thwarted and frustrated by the scheme employed here, the union and its bona fide members suffered a loss which, although not readily calibrated in terms of dollars, is nonetheless real. The statute here does not attempt to draw common law distinctions between grand and petit larceny, as it well could have,[6] but is addressed to defendants who embezzle, steal or unlawfully and willfully abstract or convert *any* of the property of a labor organization. Such conduct was engaged in by the defendants in this case.

Although appellants claim that this is a case of first impression, that is true only to the extent that the fact pattern is unusual. However, this court has had the obligation to construe section 501(c) on previous occasions.[7] In United States v. Silverman, 430 F.2d 106 (1970), cert. denied, 402 U.S. 953, 91 S.Ct. 1619, 29 L.Ed.2d 123 (1971), Judge Friendly pointed out that in section 501(c), as in other comparable criminal provisions, the Congress has

> gone beyond the common law offense of larceny and the old statutory crime of embezzlement because "gaps or crevices have separated particular crimes of this general class and guilty men have escaped through the breaches," Morissette v. United States, 342 U.S. 246, 271–272, 72 S.Ct. 240, 254, 96 L.Ed. 288 (1952). But, as was there held, despite minor variations in language the common thread is that the defendant, at some stage of the game, has taken another person's *property* or caused it to be taken, knowing that the other person would not have wanted that to be done.

430 F.2d at 126–27 (emphasis added). The Court in *Silverman* also essentially defined the unlawful and willful conversion of union property:

> It is easy to understand how a union employee does this when he "unlawfully and willfully" uses union funds in a manner that works to the personal benefit of himself or the payee and does not benefit the union, whether or not the union went through the form of authorization; the "union" presumably would have objected if it had been able to speak freely.

430 F.2d at 127. See also United States v. Ottley, 509 F.2d 667 (2d Cir., 1975).

In our view, the activities of the defendants here fall within Judge Friendly's description of the crime Congress intended to establish. They utilized the property of the union in a way which benefited themselves and not the union.

---

[6] See, e. g., 18 U.S.C. §§ 641, 643, 644 & 648; N.Y.Penal Law §§ 155.25 to 155.35.

[7] Most of the litigation in this circuit arising under the statute has concerned alleged violations of section 501(a) and relief has been sought under section 501(b). We have consistently given a relatively narrow interpretation to these provisions, refusing to intervene in matters which we have considered to involve simply the internal operations of a union. Head v. Brotherhood of Railway Clerks, 512 F.2d 398 (1975); Coleman v. Brotherhood of Railway Clerks, 340 F.2d 206 (1965); Gurton v. Arons, 339 F.2d 371 (1964). We have, however, made it clear that those sections do apply "to fiduciary responsibility with respect to the money and property of the union . . . ." Gurton v. Arons, *supra*, 339 F.2d at 375. To the same effect, Head v. Brotherhood of Railway Clerks, *supra*, 512 F.2d at 398 n. 3. Other circuits have given a broader reading to section 501(b). E. g., Pignotti v. Local # 3, Sheet Metal Int'l Ass'n, 477 F.2d 825 (8th Cir.), cert. denied, 414 U.S. 1067, 94 S.Ct. 576, 38 L.Ed.2d 472 (1973); Sabolsky v. Budzanoski, 457 F.2d 1245 (3d Cir.), cert. denied, 409 U.S. 853, 93 S.Ct. 65, 34 L.Ed.2d 96 (1972).

Their action was not authorized and presumably the NMU and its membership would have objected had it been made known. The judgments must therefore be affirmed.

Affirmed.

UNITED STATES of America,
Plaintiff-Appellee,

v.

Marvin MATTSON and Edward F.
Greene,, Defendants-Appellants.

Nos. 81-1302, 81-1303.

United States Court of Appeals,
Seventh Circuit.

Argued Sept. 28, 1981.

Decided Feb. 23, 1982.

Defendants were convicted in the United States District Court for the Northern District of Illinois, Bernard M. Decker, J., of conspiracy to violate Hobbs Act. Appeal was taken. The Court of Appeals, Wesley E. Brown, Senior District Judge sitting by designation, held that extortion of bribe

---

issues under Illinois law as well as under the Constitution to determine if the voir dire ruling and motion *in limine* deprived the defendant of due process.

One facet of the voir dire analysis *might* involve whether the defendant would have been prejudiced by inclusion on the jury of persons antagonistic to homosexuals (in light of the *victim's* alleged proclivities).

* The Honorable Robert D. Morgan, Chief District Judge of the Central District of Illinois, is sitting by designation.

from Chicago man in order that he could obtain electrician's license in no way affected interstate commerce and could not form basis of Hobbs Act conviction.

Reversed.

1. **Extortion and Threats 🔑25**

Not every act of extortion is punishable under the Hobbs Act; only obstruction, delay or affectation of interstate commerce by means of extortion gives federal courts jurisdiction. 18 U.S.C.A. § 1951.

2. **Extortion and Threats 🔑25**

The Hobbs Act is to be given expansive construction, but neither constitutional limits on power of national government, nor jurisdictional requirement of some connection with interstate commerce may be ignored. 18 U.S.C.A. § 1951.

3. **Extortion and Threats 🔑25**

It is not only actual effects on interstate commerce which are proscribed by the Hobbs Act, but also threatened or potential effects which never materialize because extortionate demands are met. 18 U.S.C.A. § 1951.

4. **Extortion and Threats 🔑25**

Even beneficial effect on interstate commerce, e.g., facilitating flow of building materials across state lines, is within prohibition of the Hobbs Act. 18 U.S.C.A. § 1951.

5. **Extortion and Threats 🔑25**

Under the basis for assertion of Hobbs Act jurisdiction of depletion-of-assets indirect effect on interstate commerce, a de minimus effect on interstate commerce is sufficient for federal jurisdiction but effect still must be more than speculative, attenuated one step removed kind of effect and there must be a realistic probability of a nexus between extortionate conduct and interstate commerce before federal jurisdiction will lie. 18 U.S.C.A. § 1951.

6. **Extortion and Threats 🔑25**

The extortion of a bribe from a Chicago man in order that he could obtain electrician's license in no way affected interstate commerce and could not form basis of Hobbs Act conviction. 18 U.S.C.A. § 1951.

Carl P. Clavelli, Sherman C. Magidson, Chicago, Ill., for defendants-appellants.

Patrick Deadly, Asst. U. S. Atty., Dan K. Webb-U. S. Atty., Chicago, Ill., for plaintiff-appellee.

Before BAUER, Circuit Judge, FAIRCHILD, Senior Circuit Judge, and BROWN, Senior District Judge.*

WESLEY E. BROWN, Senior District Judge.

These appeals by defendants Mattson and Greene arise from their convictions under Count III of a three-count indictment for conspiracy to violate the Hobbs Act, 18 U.S.C.A. § 1951. Count I of the indictment charged the defendants with a direct violation of the Act by extorting $3,000 from Donald S. Anderson under color of official right; Count II charged the defendants with aiding and abetting the offense in Count I; and Count III alleged that they conspired to violate the Act. Mattson and Greene waived their right to a jury trial, and on January 15, 1981, the district court entered its Memorandum Opinion and Order finding defendants not guilty on Counts I and II, but finding them guilty of conspiracy as charged in Count III of the indictment. The relevant facts unfolded at trial virtually without dispute or contradiction, and the only questions on appeal are whether those facts are sufficient to support the convictions for conspiracy to violate the Hobbs Act.

In late 1977 or early 1978, while Donald Anderson was employed by Playboy Enterprises as chief electrician, he was asked by his superiors to obtain a supervising electrician's license. Playboy was initiating an austerity program at that time, and it was thought that money could be saved if some of the major electrical renovation and repairs in the Playboy Building were performed internally, rather than hiring Playboy's outside electrical contractor, Commercial Lighting, to do the work. In order for Playboy to do electrical work internally, it was necessary for someone on Playboy's staff to be licensed to apply for work permits issued by the City of Chicago, and this was the reason for the request by Anderson's superiors. Anderson agreed to try to become a licensed electrician, and after first mistakenly applying for an electrical contractor's license, he did apply to take the City of Chicago Supervising Electrician's Licensing Examination on January 12, 1978. Anderson feared, however, that his application would not be successful because Harry Hayman, the city electrical inspector in whose district the Playboy Building was located, would try to block it. Concluding that he needed an "edge," Anderson spoke to George Mpistolarides, a Playboy Building engineer and a precinct captain in the Chicago Democratic organization, who had once told Anderson he knew some people who could help him obtain an electrician's license.

---

* The Honorable Wesley E. Brown, Senior District Judge of the District of Kansas, is sitting by designation.

Mpistolarides put Anderson in contact with defendant Marvin Mattson, a used car salesman who was also a Democratic precinct captain. Anderson and Mattson then met at the Playboy Club in early February, 1978, at which time Mattson told Anderson that "he had some connections at City Hall" and he would see what he could do to "help." Within the week following this meeting, Mattson had lunch with defendant Edward Greene. Greene was also a Democratic precinct captain, and at the time was employed by the Clerk of the Circuit Court of Cook County. Mattson asked Greene if he could assist in getting Anderson's license, and Greene agreed to do so. Greene first contacted a man he knew only as "Joe" in the City Planning Department. "Joe" said he would talk to someone and contact Greene in a couple of days. After this conversation, Greene remembered that he knew Mildred Manglardi, who worked directly in the Chicago Bureau of Electrical Inspection (BEI). Greene telephoned Mattson with this information, and Mattson in turn called Anderson to tell him a contact had been made. Mattson and Anderson met again at the Playboy Club, within a week of their first meeting there, and Mattson told Anderson that it would cost $3,000 to ensure that he would get his license. Approximately three or four weeks later, Mattson again called Anderson to tell him that arrangements had been made, and that Anderson should get the money together. Anderson withdrew $1,000 from his checking and savings accounts and raised another $2,000 by taking out a personal loan.

In early May, 1978, Anderson brought the $3,000 to work and met Mattson at the Playboy Club; the two then took a cab to City Hall, where Anderson met Greene for the first time. All three men went upstairs to the BEI office and then went behind the counter in that office to Manglardi's desk. Greene explained to Manglardi that Anderson wanted an electrical supervisor's license, and Manglardi stated that the BEI was under a lot of pressure from the FBI, indicating either that no license was obtainable or that the cost of the license was very high. No money was given to Manglardi at that time, and no deal was struck. Anderson concluded from the conversation that neither of the defendants had any influence in the BEI. Anderson, Mattson, and Greene left the BEI office and returned to the ground floor. Greene left immediately, but Mattson assured Anderson that the license could still be obtained some other way, and asked him for the $3,000. Anderson gave the money to Mattson.

Not long after the visit to the BEI, Greene received a telephone call from a man who identified himself as "Joe." There was no evidence that the caller was either the same "Joe" who worked at the City Planning Department, or that he worked at the BEI, although Greene assumed the latter. Joe told Greene that the price of help on the examination would be $6,000, but after Greene called Mattson and was told that Anderson could only afford $3,000, Joe agreed to the lower figure. During the next week or so, a date was set for the payoff, Mattson gave Greene $1,500 of the $3,000 Anderson had given him, and Greene gave this $1,500 to an unidentified person, explaining that the remaining

$1,500 would be paid when Anderson took the examination.

On July 12, 1978, Anderson took what he believed was a supervising electrician's examination. After he had taken this examination, Anderson was approached first by Mattson and then by Greene for an additional $2,000. Greene told Anderson that he would never get a license unless he came up with the additional money. Anderson never made another payment to either of the defendants after the original $3,000 at City Hall. After several weeks had passed, and Anderson had heard nothing about his test results, he called the BEI and eventually reached a Mr. Hogan, the BEI's chief electrical inspector. Hogan told Anderson that he had taken the wrong examination, namely the electrical contractor's test instead of the supervising electrician's test, and that he would have to take the examination again. The record is ambiguous as to which examination Anderson actually took. In any case, Anderson never received a supervising electrician's license, and despite his request to both Mattson and Greene to return the $3,000 he had paid, that amount was never returned to him.

[1, 2] The first of two issues raised by the defendants on appeal is whether the evidence failed to establish the necessary nexus between extortion and interstate commerce in this case. The Hobbs Act, 18 U.S.C.A. § 1951, provides in pertinent part:

> (a) Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce, by robbery or extortion or attempts or conspires so to do, or commits or threatens physical violence to any person or property in furtherance of a plan or purpose to do anything in violation of this section shall be fined not more than $10,000 or imprisoned not more than twenty years or both.
>
> (b) As used in this section—
>
> * * * * * *
>
> (2) The term "extortion" means the obtaining of property from another, with his consent, induced by wrongful use of actual or threatened force, violence, or fear, or under color of official right.
>
> (3) The term "commerce" means . . . all commerce between any point in a State, Territory, Possession, or the District of Columbia and any point outside thereof; . . . .

The reading of the statute makes clear that it is not every act of extortion which is punishable thereunder; only the obstruction, delay, or affectation of (in this case) interstate commerce by means of extortion gives federal courts jurisdiction. We recognize, of course, that the broad language of the Act manifests " . . a purpose to use all the constitutional power Congress has to punish interference with interstate commerce by extortion . . . ." *Stirone v. United States*, 361 U.S. 212, at 215, 80 S.Ct. 270, at 272, 4 L.Ed.2d 252, at 255 (1960). The statute is to be given an expansive construction, but neither the constitutional limits on the power of the national government, nor the jurisdictional requirement of some connection with interstate commerce may be ignored. *United States v. Staszcuk*, 517 F.2d 53 (7th Cir. 1975) (en banc), cert. denied 423 U.S. 837, 96 S.Ct. 65, 46 L.Ed.2d 56 (1975).

[3, 4] The cases in this Circuit concerning Hobbs Act prosecutions can be seen as falling into two groups. Cases comprising the first category involve what may be termed a direct[1] connection between extortion and interstate commerce or articles moving in interstate commerce.[2] It is not

---

[1] As used here, "direct" and "indirect" have reference to when the effect on interstate commerce occurs, and whether there is any intervening or intermediate effect. Where extortion directly affects interstate commerce, the extortion itself delays the transportation of building materials across state lines, for example; there is no intervening step nor intermediate effect. An indirect effect, such as in depletion-of-assets cases discussed below, affects the assets of a business first, and through their reduction affects interstate commerce.

[2] *United States v. Kramer*, 355 F.2d 891 (7th Cir. 1966), cert. granted in part and denied in part, 384 U.S. 100, 86 S.Ct. 1366, 16 L.Ed.2d 396 (1966); *United States v. Pranno*, 385 F.2d 387 (7th Cir. 1967), cert. denied 390 U.S. 944 & 972, 88 S.Ct. 1028 & 1094, 19 L.Ed.2d 1132 & 1183 (1968); *United States v. Amabile*, 395 F.2d 47 (7th Cir. 1968), vacated on other

only actual effects on interstate commerce which are proscribed by the Hobbs Act, but also threatened or potential effects which never materialize because extortionate demands are met. *Staszcuk, supra.* Even a beneficial effect on interstate commerce, e.g. facilitating the flow of building materials across state lines, is within the prohibition of the statute. *United States v. Kuta,* 518 F.2d 947 (7th Cir. 1975), cert. denied 423 U.S. 1014, 96 S.Ct. 446, 46 L.Ed.2d 385 (1975).

[5] The second line of cases has established another ground for the assertion of Hobbs Act jurisdiction, namely the depletion-of-assets indirect effect on interstate commerce.[3]

> Under the depletion of assets theory, commerce is affected when *an enterprise, which either is actively engaged in interstate commerce or customarily purchases items in interstate commerce,* has *its assets* depleted through extortion, thereby curtailing *the victim's* potential as a purchaser of such goods.

United States v. Elders, 569 F.2d 1020 (7th Cir. 1978) at 1025, citing *DeMet, supra* in footnote 3, (emphasis added). A de minimus effect on interstate commerce is sufficient for federal jurisdiction, *DeMet,* but ". . . the effect still must be more than a speculative, attenuated 'one step removed' kind of effect." *Elders,* id. There must be a realistic probability of a nexus, in each case, between the extortionate conduct and interstate commerce before federal jurisdiction will lie. *Elders* and *Staszcuk, supra.*

[6] In the case at bar, we are unable to find the required connection between the extortion and an effect on interstate commerce. There was no possibility of a direct effect on interstate commerce, because Anderson's payment of $3,000 for an electrician's license neither actually nor potentially affected the purchase of electrical supplies from outside Illinois for use in electrical repairs in the Playboy Building. Whether Playboy's own staff did the work, or Commercial Lighting was hired, the supplies would still have to be purchased outside Illinois by Playboy or Commercial Lighting. Neither of these enterprises were victims of the extortion.

Neither can the depletion-of-assets theory serve to bring this case within the Hobbs Act. It is true that in giving the Hobbs Act the broad interpretation due it, this Circuit and others have held the indirect effects caused by depletion of assets to be jurisdictionally sufficient. That is, we have found in the statute a basis for tracing the effects of extortion through the financial condition of a single business entity. We continue to adhere to the extension of federal jurisdiction in such cases. But there is a difference between an expansive reading and one which ignores or nullifies the interstate commerce language. In each of the cases cited in footnote 3, the extorted payment came from a business enterprise which was the victim and engaged in interstate commerce, or whose reserves for purchasing goods in interstate commerce were directly and immediately diminished due to the extortion. In the case before us, it was only Anderson's personal assets which were depleted by the $3,000 payment: The record clearly established that Playboy never reimbursed Anderson for the extorted sum. We would have a different case if Playboy, a business, had been the victim of the extor-

---

grounds, 394 U.S. 310, 89 S.Ct. 1164, 22 L.Ed.2d 297 (1969); *United States v. Irali,* 503 F.2d 1295 (7th Cir. 1974), cert. denied 420 U.S. 990, 95 S.Ct. 1424, 43 L.Ed.2d 670 (1975); *United States v. Staszcuk, supra; United States v. Kuta,* 518 F.2d 947 (7th Cir. 1975), cert. denied 423 U.S. 1014, 96 S.Ct. 446, 46 L.Ed.2d 385 (1975).

[3] *United States v. DeMet,* 486 F.2d 816 (7th Cir. 1973), cert. denied 416 U.S. 969, 94 S.Ct. 1991, 40 L.Ed.2d 558 (1974); *United States v. Crowley,* 504 F.2d 992 (7th Cir. 1974); *United States v. Braasch,* 505 F.2d 139 (7th Cir. 1974), cert. denied 421 U.S. 910, 95 S.Ct. 1562, 43 L.Ed.2d 775 (1975); *United States v. Craig,* 573 F.2d 513 (7th Cir. 1978), cert. denied 439 U.S. 820, 99 S.Ct. 83, 58 L.Ed.2d 111 (1978); *United States v. Elders,* 569 F.2d 1020 (7th Cir. 1978); *United States v. Blakey,* 607 F.2d 779 (7th Cir. 1979); *United States v. Price,* 617 F.2d 455 (7th Cir. 1979); *United States v. Glynn,* 627 F.2d 39 (7th Cir. 1980); *United States v. Hedman,* 630 F.2d 1184 (7th Cir. 1980), cert. denied 450 U.S. 965, 101 S.Ct. 1481, 67 L.Ed.2d 614 (1981); *United States v. Rindone,* 631 F.2d 491 (7th Cir. 1980).

tion instead of Anderson. But Anderson himself certainly was not conducting a business engaged in, or purchasing items from, interstate commerce. The victim in this case was an individual who had no connection with interstate commerce at all, but whose only connection was with a business which was engaged in interstate commerce. Thus, to find an effect on interstate commerce, we would be required not only to consider indirect effects within a single business entity, but also effects arising from the business entity's relationship with an employee not engaged in interstate commerce.

The government argues that we should consider the fact that both Playboy and Commercial Lighting are businesses which customarily purchase items in interstate commerce. It is claimed that jurisdiction is present because if Anderson had gotten his license, the financial condition of Playboy would have improved, and Commercial Lighting would in turn have lost business as Playboy's electrical contractor.

This argument, however, overlooks the point that the alleged conspiracy to extract money from Anderson did not in and of itself affect interstate commerce. One of the essential elements of proof required to establish a violation of the Hobbs Act is, of course, the effect or potential effect on interstate commerce. The trial judge determined both Playboy and Commercial Lighting were engaged in interstate commerce and we concur. We are concerned, however, with Anderson's lack of involvement in interstate commerce. The government was required to prove beyond a reasonable doubt that the natural consequences of the acts alleged in the indictment would delay, interrupt or otherwise affect interstate commerce. This proof in our opinion was insufficient.

The Hobbs Act requires that interstate commerce be affected *by extortion*, not by a result of extortion; there must be a nexus between extortion and interstate commerce before federal jurisdiction is present. The only nexus here was between the extortion of Anderson, and his position as an employee of Playboy. Adding a second connection, between Playboy's potentially increased assets and interstate commerce, does not satisfy the jurisdictional requirement. Such a nexus, drawn by adding an additional party and more "tying together" to the well-established depletion-of-assets analysis, is too indirect.

We have found no case which extends Hobbs Act jurisdiction so far as to encompass the facts of this case. If a sufficient nexus were found here, we are unable to conceive of an extortionate transaction which would not be punishable under the Hobbs Act. To so hold would mean that the extortion of money from any individual in our society could arguably affect interstate commerce eventually. Simply stated, the extortion did not affect Playboy, nor interstate commerce through Playboy, but Anderson. Any effect the extortion had beyond the personal effect on Anderson was too attenuated and was removed one step too far to come within the Hobbs Act. Due to our holding that lack of federal jurisdiction will not permit the convictions to stand, the second issue raised by defendants in their appeals is moot.

The judgments and convictions appealed from are REVERSED.

UNITED STATES of America,
Plaintiff-Appellee,
v.
Patrick W. HANIGAN,
Defendant-Appellant.

No. 81-1262.

United States Court of Appeals,
Ninth Circuit.

Argued and Submitted May 3, 1982.

Decided July 19, 1982.

Rehearing and Rehearing En Banc
Denied Sept. 22, 1982.

Defendant was convicted in the United States District Court for the District of Arizona, Richard M. Bilby, J., of three counts of aiding and abetting a robbery affecting commerce in violation of the Hobbs Act, and he appealed. The Court of Appeals, Schroeder, Circuit Judge, held that: (1) movement of undocumented alien laborers across national boundary into this country constitutes "commerce" within reach of Hobbs Act; (2) district court properly excluded, on grounds of irrelevance, five photographs of cattle crossing culvert under highway near defendant's ranch; (3) defendant failed to demonstrate error in permitting testimony which defendant contended should have been excluded because his defense counsel was not notified until mid-trial of such proposed testimony; (4) empty .357 magnum shell casings found at scene of crime were relevant and admissible; (5) Government was not equitably estopped to try defendant following district court's declaration of mistrial; and (6) assuming identification of defendants from their pictures in high school yearbooks was suggestive, reliability of identification was sufficiently indicated.

Affirmed.

1. Commerce 🔑3

Term "commerce" as used in commerce clause, means intercourse between nations, parts of nations, in all its branches, and is regulated by prescribing rules for carrying on that intercourse; such intercourse includes the movement of persons. U.S.C.A. Const.Art. 1, § 8, cl. 3.

See publication Words and Phrases for other judicial constructions and definitions.

2. Commerce 🔑82.5

Movement of labor or laborers into this country is "commerce" within scope of Hobbs Act. 18 U.S.C.A. § 1951(b)(3), (c); Clayton Act, § 6, 15 U.S.C.A. § 17; U.S.C.A.Const.Art. 1, § 8, cl. 3.

3. Commerce 🔑82.5

Movement of undocumented alien laborers across national boundary into this country is within constitutional power of Congress to regulate, and thus, constitutes "commerce" within reach of Hobbs Act. 18 U.S.C.A. § 1951(b)(3), (c); Clayton Act, § 6, 15 U.S.C.A. § 17; U.S.C.A.Const.Art. 1, § 8, cl. 3.

4. Criminal Law 🔑1153(1)

District court's rulings on relevance of evidence will be overturned only for abuse of discretion. Fed.Rules Evid. Rule 402, 28 U.S.C.A.

5. Criminal Law 🔑438(5)

In prosecution for aiding and abetting a robbery affecting commerce in violation of Hobbs Act, district court properly excluded, on grounds of irrelevance, five photographs of cattle crossing culvert under highway near defendant's ranch, where no evidence before jury placed victims at or near culvert at any time. 18 U.S.C.A. § 1951.

6. Criminal Law ⟹627.8(6)

Defendant failed to demonstrate error in permitting testimony which defendant contended should have been excluded because his defense counsel was not notified of it until mid-trial, where Government gave witness' statement to defense counsel as soon as it became available, defendant vigorously attacked witness' credibility and defendant was able to offer testimony of cashiers at restaurant where defendant's alleged admission occurred.

7. Criminal Law ⟹404(4)

Empty .357 magnum shell casings found at scene of crime were relevant and admissible, where foundation for introduction of shells had been properly laid by testimony that defendant fired revolver during robbery and that he owned .357 magnum revolver.

8. Estoppel ⟹62.2(4)

Government was not equitably estopped to try defendant following district court's declaration of mistrial, absent any material misstatement made by Government upon which defendant reasonably relied to his detriment.

9. Constitutional Law ⟹266(3.1)

Photographic procedure that is so impermissibly suggestive as to give rise to very substantial likelihood of irreparable misidentification violates defendant's right to due process. U.S.C.A.Const.Amend. 14.

10. Criminal Law ⟹339.7(3)

Identification procedures that emphasize single individual's photograph may be unduly suggestive.

11. Constitutional Law ⟹266(3.2)

Suggestive identification procedure will not be held to violate due process if sufficient indicia of reliability are present.

12. Criminal Law ⟹339.8(1)

Factors to be considered in determining whether out-of-court identification is reliable include: opportunity of witness to view criminal at time of crime; witness' degree of attention; accuracy of witness' prior description of criminal; level of certainty demonstrated by witness at confrontation; and length of time between crime and confrontation.

13. Criminal Law ⟹339.8(1)

After examining factors to be considered in determining whether out-of-court identification is reliable, court should weigh their existence and extent against corrupting effect of suggestive identification itself.

14. Criminal Law ⟹339.10(7)

Assuming identification of defendants from their pictures in high school yearbooks was suggestive, reliability of identification was sufficiently indicated by circumstances that victims were held by their assailants for several hours during middle of day, identification was made following day, and two victims were positive in their identifications.

Alex A. Gaynes, Gaynes & Rockafellow, P.C., Tucson, Ariz., for defendant-appellant.

Frank D. Allen, Jr., Atty., Washington, D.C., for plaintiff-appellee.

Appeal from the United States District Court for the District of Arizona.

Before ELY, SCHROEDER, and NORRIS, Circuit Judges.

SCHROEDER, Circuit Judge.

Patrick Hanigan appeals his conviction on three counts of aiding and abetting a robbery affecting commerce in violation of the Hobbs Act, 18 U.S.C. § 1951. His principal challenge is to the district court's jurisdiction to try him under that Act. He also contends that several evidentiary rulings by the district court were prejudicial, that his prosecution violated the double jeopardy clause of the Constitution, and that the pretrial identification procedure was impermissibly suggestive. We affirm the conviction.

FACTS

On August 18, 1976, three undocumented Mexican aliens entered the United States near Douglas, Arizona. The government's evidence showed that the men had previously entered this country and had found work as unskilled laborers in agricultural enterprises. On this occasion each had again crossed the border in search of agricultural work.

Defendant's brother Thomas found the men on Hanigan land and forced them to accompany him to the family ranch house, where he was joined by his father, George Hanigan, and the defendant Patrick. Over the course of several hours, the victims were brutally tortured and robbed of their few possessions. They were then told to run for the border; shotguns and pistols were fired at their backs, and two of the three sustained numerous pellet wounds.

All three Hanigans were charged in state court with various crimes, including assault, kidnapping and robbery. George Hanigan died before trial on those charges; Thomas and Patrick were acquitted on all counts. The brothers were later indicted on federal charges on October 10, 1979. The indictment charged them with robberies affecting commerce in violation of the Hobbs Act, 18 U.S.C. § 1951.

A first trial on these charges began in June, 1980, but the district court declared a mistrial when the jury was unable to reach a verdict. The second trial began on January 20, 1981. The district court ordered that separate juries hear the case because the government intended to offer evidence of an incriminating statement by Patrick which was not admissible against Thomas. Thomas was acquitted and Patrick was convicted on all three counts. The district court sentenced Hanigan to three years imprisonment on each count, the sentences to run concurrently.

Hobbs Act Jurisdiction

The Hobbs Act [1] makes it a federal crime to obstruct, delay, or affect commerce "or the movement of any article or commodity in commerce, by robbery . . . ." 18 U.S.C. § 1951(a). As defined in the Act, commerce includes "all commerce between any point in a State . . . and any point outside thereof; . . . and all other commerce over which the United States has jurisdiction." 18 U.S.C. § 1951(b)(3).

As a jurisdictional predicate for this prosecution, the government has maintained and the indictment alleged that by crossing into Arizona to search for work, the victims were directly involved in "commerce" and thus fell within the ambit of the statute. Hanigan argues that labor (or laborers) cannot be considered an "article or commodity in commerce" within the meaning of the Hobbs Act. He also urges that if laborers are articles in commerce, undocumented alien laborers are not.

Thus the first issue we must address is whether the movement of laborers into this country is "commerce" within the scope of the Hobbs Act. Hanigan cites the exclusion of labor from the definition of "commerce" in the antitrust laws. 15 U.S.C. § 17.[2] He argues that the reference in subsection (c) of the Hobbs Act to 15 U.S.C. § 17 means that labor is also excluded from Hobbs Act coverage. While 15 U.S.C. § 17 provides that "labor . . . is not a commodity or article of commerce," the provision serves merely to exempt the activities of organized labor from the antitrust laws. *See Allen Bradley Co. v. Local Union No. 3, International Brotherhood of Electrical Workers*, 325 U.S. 797, 803–04, 65 S.Ct. 1533, 1537, 89 L.Ed. 1939 (1945); *California State Council of Carpenters v. Associated General Contractors, Inc.*, 648 F.2d 527, 532–36 (9th Cir. 1981), *cert. granted*, — U.S. —, 102 S.Ct. 998, 71 L.Ed.2d 292 (1982); *Cordova v. Bache & Co.*, 321 F.Supp. 600, 605–13 (S.D. N.Y.1970). The Hobbs Act, on the other hand, does not except labor from the definition of "commerce." Subsection (c) of the Hobbs Act merely makes it clear that the inclusion of labor within the Act does not affect the operation of the antitrust or labor laws.

---

[1] In relevant part, the Act provides:

(a) Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce, by robbery or extortion or attempts or conspires so to do, or commits or threatens physical violence to any person or property in furtherance of a plan or purpose to do anything in violation of this section shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.

(b) As used in this section—

(1) The term "robbery" means the unlawful taking or obtaining of personal property from the person or in the presence of another, against his will, by means of actual or threatened force, or violence, or fear of injury, immediate or future, to his person or property, or property in his custody or possession, . . . or of anyone in his company at the time of the taking or obtaining.

. . .

(3) The term "commerce" means commerce within the District of Columbia, or any Territory or Possession of the United States; all commerce between any point in a State, Territory, Possession, or the District of Columbia and any point outside thereof; all commerce between points within the same State through any place outside such State; and all other commerce over which the United States has jurisdiction.

(c) This section shall not be construed to repeal, modify or affect section 17 of Title 15, sections 52, 101-115, 151-166 of Title 29 or section 151-188 of Title 45.

The Hobbs Act definition of commerce is coextensive with the constitutional definition. The purpose of the Act is "to use all the constitutional power Congress has to punish interference with interstate commerce by extortion, robbery or physical violence." *United States v. Bagnariol*, 665 F.2d 877, 894 (9th Cir. 1981) (per curiam) (quoting *Stirone v. United States*, 361 U.S. 212, 215, 80 S.Ct. 270, 272, 4 L.Ed.2d 252 (1960)), *cert. denied*, — U.S. —, 102 S.Ct. 2040, 72 L.Ed.2d 487 (1981); *see also United States v. Staszcuk*, 517 F.2d 53, 58–59 (7th Cir.) (en banc) ("purpose of the Hobbs Act parallels the central purpose of the Commerce Clause itself"), *cert. denied*, 423 U.S. 837, 96 S.Ct. 65, 46 L.Ed.2d 56 (1975). Thus, the only question is whether the movement of laborers may be regulated by Congress under the broad commerce power conferred by the constitution; whether labor also constitutes "commerce" for purposes of the antitrust laws is irrelevant.

[1, 2] The term "commerce" as used in the commerce clause, U.S.Const.art. I, § 8, means "intercourse between nations, and parts of nations, in all its branches, and is regulated by prescribing rules for carrying on that intercourse." *Gibbons v. Ogden*, 22 U.S. (9 Wheat.) 1, 190, 6 L.Ed. 23 (1824). Such intercourse includes the movement of persons. *Edwards v. California*, 314 U.S. 160, 173–74, 62 S.Ct. 164, 166–67, 86 L.Ed. 119 (1941). For example, an ordinance requiring collection of a registration fee from all workers impedes the free flow of commerce by creating a burden on the movement of migrant labor. *Service Machine & Shipbuilding Corp. v. Edwards*, 617 F.2d 70, 76 (5th Cir. 1980).[3] The movement of laborers across state or national boundaries constitutes commerce within the meaning of the Hobbs Act. Accordingly, the district court correctly instructed the jury that labor or laborers could be articles of commerce.

Hanigan's second attack on jurisdiction is that the victims were not protected by the Hobbs Act because they had entered the United States illegally. He urges that the term "commerce" as used in the statute does not include commerce that Congress has made illegal.[4]

---

[2] "The labor of a human being is not a commodity or article of commerce. Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade, under the antitrust laws."

[3] *Cf. United States v. Pearson*, 508 F.2d 595 (5th Cir.), *cert. denied*, 423 U.S. 845, 96 S.Ct. 82, 46 L.Ed.2d 66 (1975) (jurisdiction upheld in Hobbs Act conspiracy prosecution where evidence showed that the victim hotel had a large number of out-of-state visitors).

[4] For an alien to enter this country without inspection or to work in the United States without proper labor certification was declared illegal by Congress in the 1952 Immigration and Nationality Act. *See* 8 U.S.C. §§ 1251(a)(2), 1182(a)(14). Similarly, the Farm Labor Contractor Registration Act Amendments of 1974,

[3] Hanigan points to nothing in the statute or legislative history, however, that would support his argument that "commerce" must be "legal" commerce.[5] The statute by its terms does not limit "commerce" to the flow of legally condoned articles. Nor could the commerce clause itself mean that an activity to be regulated by Congress must be legally permissible. It is anomalous to maintain that Congress could make undocumented entry into the United States—the movement of persons—unlawful, while at the same time maintaining that the same movement of persons is not "commerce over which the United States has jurisdiction"—the phrase which Congress used in the Hobbs Act. 18 U.S.C. § 1951(b)(3). Accordingly, we hold that the movement of undocumented alien laborers across a national boundary into this country is within the constitutional power of Congress to regulate, and thus constitutes commerce within the reach of the Hobbs Act.

Viewing the evidence in the light most favorable to the government, *United States v. Friedman*, 593 F.2d 109, 115 (9th Cir. 1979), it is uncontrovertible that defendant by robbery interfered with the victims' entry into the country and that the crimes prevented them from working as agricultural laborers in the United States. The government proved both a direct interference with and a potential threat to interstate commerce.[6]

Evidentiary Rulings

Hanigan challenges several evidentiary rulings made by the district court. Each will be considered in turn. First, Hanigan contends that the district court erroneously excluded from evidence, on grounds of irrelevance, five photographs of a cattle-crossing culvert under a highway near the Hanigan ranch.[7]

[4, 5] The district court's rulings on the relevance of evidence will be overturned by this court only for an abuse of discretion. *United States v. Burreson*, 643 F.2d 1344, 1349 (9th Cir. 1981). "Evidence which is not relevant is not admissible." Fed.R. Evid. 402. Here, no evidence before the jury placed the victims at or near the culvert at any time. The photographs were therefore irrelevant and inadmissible. The district court properly excluded them from evidence.

Pub.L.No.93-518, 88 Stat. 1656 (codified in scattered sections of 7 U.S.C.), criminalized the knowing employment of aliens neither lawfully admitted for permanent residence nor authorized by the Attorney General to accept employment in this country. 7 U.S.C. § 2045(f).

[5] The Seventh Circuit left open a related question in a case involving a corporate victim of an extortionate act. *United States v. Blakey*, 607 F.2d 779, 783 (7th Cir. 1979). Finding that the business in *Blakey* was a mixed legal and illegal business, the court stated that it was not considering whether the Hobbs Act applies to wholly illegal businesses, and held that the Hobbs Act's coverage does extend to mixed legal/illegal businesses.

[6] Hanigan also argues that the government was required to prove an actual effect on commerce and that the jury was improperly instructed that a "potential" effect was sufficient to convict. All of the circuits which have considered the question have ruled that proof of a probable or potential effect is sufficient in attempt or conspiracy cases. *United States v. Jannotti*, 673 F.2d 578, 592 (3d Cir.) (en banc), *petition for cert. filed*, — U.S. ——, 102 S.Ct. 2906, 73 L.Ed.2d 1315 (1982); *United States v. Glynn*, 627 F.2d 39, 41 (7th Cir. 1980); *United States v. DiGregorio*, 605 F.2d 1184, 1190 (1st Cir.), *cert. denied*, 444 U.S. 937, 100 S.Ct. 287, 62 L.Ed.2d 197 (1979). This rule derives from *United States v. Staszcuk*, 517 F.2d 53, 59–60 (7th Cir.) (en banc), *cert. denied*, 423 U.S. 837, 96 S.Ct. 65, 46 L.Ed.2d 56 (1975), which involved a substantive Hobbs Act conviction. Writing for the majority of the court, Justice (then Judge) Stevens concluded that "the cases which uniformly hold that a threatened effect on interstate commerce is sufficient to bring the statute into play notwithstanding the absence of any actual effect, correctly interpret the congressional purpose." *Id.* at 59 (footnote omitted). *Glynn* has been cited with approval by this circuit, which follows the rule of the Seventh Circuit. *United States v. Bagnariol, supra*, 665 F.2d at 894.

In any event, we need not decide what sort of attenuated or potential effect on commerce is required to satisfy the jurisdictional aspect of the Hobbs Act as the government demonstrated an actual effect in this case.

[7] The court did permit Hanigan to introduce 19 photographs of the ranch and the field where the victims claimed to have been tortured and robbed.

Hanigan's second assignment of error concerns the trial testimony of Connie Wright, a waitress at a Douglas coffee shop, who had not testified at the first federal trial. She testified at the second trial that shortly after the incident she overheard Hanigan say to his companions in the restaurant, "[w]e fixed those son-of-a-bitching wetbacks." Hanigan contends that this evidence should have been excluded because his defense counsel was not notified until mid-trial of Wright's proposed testimony.

[6] Hanigan does not argue that the evidence was inadmissible, but rather that it was uncovered so late that he was "unfairly surprised." The record does not establish any prejudicial surprise. The government gave defense counsel the witness's statement as soon as it became available, and the district court held a preliminary conference at which it ruled that much of Wright's proposed testimony would not be permitted. Moreover, Hanigan's own argument to this court establishes that he vigorously attacked Wright's credibility. Hanigan was also able to offer the testimony of Bonnie Meyers and Ruby Hall, cashiers at the restaurant where Hanigan's alleged admission occurred. Although Wright stated at trial that she related Hanigan's statement to one of the other women, both testified to the contrary. Since the district court found that the government acted in good faith, and no specific prejudice has been shown, Hanigan has failed to demonstrate error in permitting the testimony of witness Wright.

[7] Finally, Hanigan argues that the district court erred in permitting the government to introduce into evidence empty .357 Magnum shell casings found at the scene of the crime. Foundation for the introduction of the shells had been properly laid by testimony that defendant fired a revolver during the robbery and that he owned a .357 Magnum revolver. The evidence was therefore relevant and admissible, and the contention that it should have been excluded is without merit.

Double Jeopardy

Prior to the first federal trial, the defendants moved to dismiss the indictment on several grounds, including double jeopardy. After the district court denied this motion, defendants appealed to this court, which summarily affirmed the district court's ruling that they were not being subjected to double jeopardy, citing *Abbate v. United States*, 359 U.S. 187, 79 S.Ct. 666, 3 L.Ed.2d 729 (1959) (successive prosecutions by different sovereigns do not violate double jeopardy), and *United States v. Solano*, 605 F.2d 1141 (9th Cir. 1979) (same), *cert. denied*, 444 U.S. 1020, 100 S.Ct. 677, 62 L.Ed.2d 652 (1980). *Hanigan v. United States*, No. 79-1823 (9th Cir. Jan. 29, 1980), *cert. denied*, 450 U.S. 982, 101 S.Ct. 1517, 67 L.Ed.2d 817 (1981). Hanigan offers no basis for departing from that result now.

[8] Hanigan's argument that the government was equitably estopped to try him following the district court's declaration of a mistrial is also without merit. Hanigan has not pointed to any material misstatement made by the government upon which he reasonably relied to his detriment. *See, e.g., Broussard v. Patton*, 466 F.2d 816, 819-20 (9th Cir. 1972), *cert. denied*, 410 U.S. 942, 93 S.Ct. 1364, 35 L.Ed.2d 609 (1973). Moreover, Hanigan does not contend that the district court abused its discretion in declaring the mistrial. *See United States v. Cawley*, 630 F.2d 1345, 1349 (9th Cir. 1980); *United States v. Berniker*, 439 F.2d 686, 687 (9th Cir.), *cert. denied*, 404 U.S. 938, 92 S.Ct. 277, 30 L.Ed.2d 250 (1971).

Pretrial Photo Identification

All three victims identified Thomas and Patrick Hanigan at trial as the persons who robbed and tortured them. Additionally, over the objection of Patrick Hanigan's counsel, the district court permitted testimony that two of the victims positively identified the defendants the day after the incident, while the other victim made a tentative identification. Each victim picked out pictures of the brothers from high school yearbooks. Hanigan contends that this procedure was impermissibly suggestive because his name appears under his picture in the 1972 yearbook, and the victims (who were illiterate) might have learned the name "Hanigan" from the sign located in front of the ranch where they were taken during the crime.

[9–13] A photographic procedure that is "so impermissibly suggestive as to give rise to a very substantial likelihood of irreparable misidentification," *Simmons v. United States*, 390 U.S. 377, 384, 88 S.Ct. 967, 971, 19 L.Ed.2d 1247 (1968), violates the defendant's right to due process. Identification procedures that emphasize a single individual's photograph may be unduly suggestive. *Id.* at 383, 88 S.Ct. at 970. However, because "reliability is the linchpin in determining the admissibility of identification testimony," *Manson v. Brathwaite*, 432 U.S. 98, 114, 97 S.Ct. 2243, 2253, 53 L.Ed.2d 140 (1977), a suggestive identification procedure will not be held to violate due process if sufficient indicia of reliability are present. *Id.* at 106, 97 S.Ct. at 2248. Five factors are to be considered in determining whether an out-of-court identification is reliable:

> the opportunity of the witness to view the criminal at the time of the crime, the witness' degree of attention, the accuracy of the witness' prior description of the criminal, the level of certainty demonstrated by the witness at the confrontation, and the length of time between the crime and the confrontation.

Neil v. Biggers, 409 U.S. 188, 199–200, 93 S.Ct. 375, 382, 34 L.Ed.2d 401 (1972); *Green v. Loggins*, 614 F.2d 219, 223 (9th Cir. 1980). After examining the five factors, a court should weigh "their existence and extent '[a]gainst ... the corrupting effect of the suggestive identification itself.'" *United States v. Field*, 625 F.2d 862, 866 (9th Cir. 1980) (quoting *Manson, supra*, 432 U.S. at 114, 97 S.Ct. at 2253).

[14] Sufficient indicia of reliability are present here. The victims were held by their assailants for several hours during the middle of the day; the identification in question was made the following day; and two of the victims were positive in their identifications. Assuming for the purpose of argument the procedure used was suggestive, the reliability of the identification was sufficiently indicated. This conclusion is supported by weighing the five factors against the corrupting effect of any suggestiveness. It can be said that the identification was "the product of observations at the time of the crime" rather than the result of "impressions made during the suggestive pretrial photographic identification process." *United States v. Field, supra*, 625 F.2d at 866.

Hanigan's other arguments to the effect that he was denied due process throughout the proceedings do not merit discussion in this opinion and are rejected.

Affirmed.

The CHAIRMAN. Keep in mind, I am trying to build a record here that will get the Supreme Court to clear this mess up and help you people in law enforcement decisions. You can help here, in your testimony here today.

Simply put, the problem is that you believe that where the victim of extortion is an individual, it must be shown that this individual was involved—and I quote from your statement—in "interstate travel" in order to satisfy the interstate commerce requirement contained in title 18 U.S.C. 1951. This interpretation stems from the court's holding in *U.S.* v. *Mattson,* in one circuit out of the 11 circuit courts of appeal. There, the Court held that there is no prosecutorial jurisdiction under the Federal extortion statute if, one, there is no direct connection between the extortion and interstate commerce or articles moving in interstate commerce; or two there is no depletion of assets of an enterprise involved in interstate commerce.

I think you will agree, however, that it does not take a very artful reading of the case to distinguish it from the issues at the bar in Lake Charles. In *Mattson,* no labor organization was involved, no rank-and-file union members were being victimized by corrupt union officials, there were no racketeers in *Mattson.* Instead, in *Mattson,* the victim was an individual who decided that the only way he could obtain an electrician's license was to pay a bribe. He was not told by a business agent that to keep his job he would have to pay the bribe. He was not beaten because he refused to pay the bribe. He was not laid off because he refused to give in to the extortion. In fact, this individual was not the victim of extortion; he was the apparent victim of a couple of con artists in the *Mattson* case.

Here, the alleged victims in Lake Charles were handling goods that have moved through interstate commerce. Even if we had not shown yesterday that there were individuals who themselves were involved who were from other States, the goods moved in interstate commerce. One thing that always bothers me about interstate commerce is cases when it comes down to some liberal point of view, some liberal social policy that has to be justified, there is no extension beyond which the interstate commerce clause will not be put. But when it comes to law and order, in trying to solve some of these problems for little people who are being hurt, you guys have your hands tied in many respects.

I think it is time to change that. If we are going to have a broad definition of the interstate commerce clause on liberal social issues, which we have, and everybody has to admit that, then it ought to be a broad interpretation with regard to law and order issues as well. I think your hands have to stop being tied.

I am trying to do one other thing here today. I am trying to help you, because I really believe that these kinds of occurrences just plain should not occur. We have to give you more tools and more teeth to be able to do the jobs that you have.

In any event, the alleged victims in Lake Charles were handling goods that actually moved through interstate commerce. They were working on construction projects that would have a direct impact on the flow of goods in interstate commerce. If these individuals were laid off because they did not give into extortion by union leaders, and the projects they were working on were delayed, and especially since, in one case at least, the Federal Government was paying for it, there would be a direct impact on interstate commerce, certainly one capable of meeting the normally easy effect on interstate commence tests put on liberal social issues.

Moreover, the decision in *Mattson* was an appellate decision. The third case to which you refer in your statement, Mr. Trott, in another appellate court, the ninth circuit, seemed eager to satisfy the interstate commerce test and found that the simple fact that three illegal aliens sneaked across the U.S. border was sufficient to satisfy the requirements of that test. As the court pointed out in *U.S.* v. *Hanigan,* the purpose of the statute which was involved there was to use all the constitutional power that Congress has to punish interference with the interstate commerce laws by extortion, robbery or physical violence. Obviously, the statute has to be interpreted broadly.

If nothing else, these decisions seem to indicate some difference of opinion within the circuits, and indicate that in some courts the effect on the interstate commerce test is truly de minimis. I do not intend to belabor these observations, and I surely do not mean to lecture you on the law. I just simply want to point out that based upon the cases cited in your statement, your reading of title 18, U.S.C. 1951, if that statement stands, it would be extremely narrow and, in my opinion, not very persuasive.

Mr. TROTT. Senator, you are correct. There are some aspects of the *Mattson* case that might be read more expansively. However, it did apply to individuals and the depletion-of-assets theory. I am advised that the U.S. Attorney in that particular district had another problem and that is that the particular bench in question also takes a very narrow reading of the interstate commerce requirement for Hobbs Act prosecutions.

This is, of course, why we have been active in trying to attempt to secure labor bribery legislation, which will remove these problems. We will not even have to cope with them, and we will get straight into the gravamen of the conduct and cope with labor bribery as labor bribery.

The CHAIRMAN. This is why you have worked so hard on the Antiracketeering Act in labor unions, why the Senate 100 to 0 unanimously approved the Antilabor Racketeering Act this year, and yet nothing is being done in the House of Representatives, not one thing. Why? Because I think there is more concern about union leaders than there is about the rank-and-file workers. If we were concerned about rank-and-file workers—and I know you share my concerns on this—we would pass that antilabor racketeering bill so fast that their heads would be spinning.

Over in the House, there are people who have fealty to union leaders rather than to the rank-and-file workers, and that is in spite of the fact that the leading union leader in this country, Lane Kirkland, is for the bill, has actively spoken for the bill, has advocated for the bill, wants the bill, thinks that there is a high fiduciary obligation owed by union leaders to union workers, and yet these people over there are not going to do a thing. It really worries me. I do not mean to be on a soapbox here, but I was thinking the other day that we passed in this Congress, in the Senate of the

United States, I think 91 to 1 or 93 to 1—only one dissenting vote—sweeping changes in our criminal laws that you support that would help you in these cases. They are sweeping changes that would provide tougher law and order for principles in this country in our Federal Criminal Code. It was 93 to 1. It no sooner passed the Senate when the chairman of the Judiciary Committee of the House said it was "dead on arrival."

That irritates me, and I think it is time for the people out there to understand it and know it. I think it is time for the union members out there to understand and know it. Sometimes, some of their leaders are not acting in their best interest, even though I think most of them are attempting to and are trying to. I think this is an important case. I think your testimony is extremely important here. I hope you do not feel that I am picking on you here today, but I am trying to get through this and establish these principles, because I think they will help you in the end. Above all, whether I am interested in helping you or not—and I am—I am more interested in helping these little people out there who have nobody to turn to when they are being extorted, when they are being beaten up and threatened and intimidated.

It is not just among union members. It is in many aspects of our life today. I know you are trying to do the best you can with what is an overwhelming set of problems in the criminal law in our country. The effect, for instance, of the interstate commerce clause is normally one of the easiest legal standards to meet. It really is, except when it comes to Federal criminal laws.

I remember from my law school days that a bushel of wheat grown in the backyard was sufficient to trigger the interstate commerce test, the interstate commerce laws, and to trigger Federal jurisdiction because of those laws. If we are willing to apply this test to weekend farmers and to illegal aliens, I think we can extend it to cover rank and file union members who are being subjected to extortion on the job site, some of which were Federal construction sites, members who were being forced to pay union officials or lose their very livelihood. Nonetheless, I understand these are difficult issues of law, and reasoned and objective minds can differ on some of these points. But I think you need to agree that our Federal enforcement should be more aggressive and less half-hearted.

Mr. TROTT. That is the right word, "aggressive." It has to be certainly not reckless but absolutely aggressive.

The Chairman. Could I just say one thing about you? I really appreciate your testimony. You are a refreshing witness here from the Justice Department. I have been through this for 7 years, and I happen to be one of the strongest supporters of law and order, and the FBI, and the Justice Department that there is. But you are one of the first people to come up here and just call it the way it is. That means a lot to me, and I think it means a lot to everybody. I just want to compliment you for it, and I want to compliment you also, Mr. Clarke. I think this is what we need.

If we have not done an aggressive job, if we have not done what we should have done, instead of coming up and trying to justify that, we ought to just admit it and change our ways. That is what you are indicating you are going to do here.

Mr. CLARKE. I would just like to add one comment, if I might, Senator. I appreciate the legal issues here, and I certainly do not want to minimize the seriousness of this problem. I agree that it is going to take all of us working together to bring about the necessary changes. When I say "all of us," we need the help and cooperation of the union members and of the citizens themselves. While there may be legal issues and related problems, we also have to deal with the reality of what evidence there is that will support prosecutive and investigative action. When we interview 200 members and of those 200 only 14 would come forward and admit any type of payment—I am unable to go into specifics because of the rule 6(e) problem—and even among some of those, one may, when giving testimony before the grand jury, draw back or change the testimony from what it was when the agents interviewed them.

I think that we can do more, as Mr. Trott has indicated, in looking at this situation, we can do more to create an environment perhaps where they will feel more comfortable in coming forward. Where we have evidence of obstruction and people interfering with the legal process, we aggressively pursue that. That may create the necessary atmosphere, but I do think we have to keep in mind that it requires all of us, working together, to bring about the necessary resolution.

The CHAIRMAN. I want to see some indictments down there, because I believe these people will come in and testify. And I think it will send a message throughout the country should we get some indictments. I think it also makes the case that you need some more help here, too. You need this antilabor racketeering bill. You need other strengthening bills like the Hobbs Act. For the life of me, I will never understand how the Supreme Court could allow picket line violence on either side, and why we have to fight to even pass a law to prevent picket line violence. You know how hard you have had to fight on that particular issue.

Mr. TROTT. On the issue of resources, looking back on what we have had, the FBI is on record as asking for more help on the prosecution arm of the team in the early 1980s. The branch of the office in the western district down there, the Lafayette Branch, was down to two people at one point, shortly after the beginning of the 1980s. Now we are up to five people working in that branch, and I understand from Mr. Toner that next month or shortly thereafter we will be up to six. We will triple the number of prosecutors down there who will be available to work with the FBI on the team that is necessary to pursue this tough nut.

The CHAIRMAN. Do not think I am trying to pick on Mr. Ek or cast him as the villain down there as the FBI man. I personally feel he did an excellent job up to the grand jury. I think he gave up because of nonsupport by the U.S. attorney's office down there.

Mr. TROTT. I am accepting responsibility. I do not think we were as aggressive as we should have been. I think the FBI upheld its part of the bargain up until that point. I would have liked to have seen a more aggressive posture taken, although what Mr. Clarke said a few seconds ago is very true. You can only go so far, and if the people on the other side are still fearful of cooperating, and you are left with the evidentiary problems, that is all you have to work with. We are going to look for new ways to try to break that open.

The CHAIRMAN. When you have the kind of evidence you have in this case, and you only look at 14 out of 28 witnesses, I think that is to be criticized.

Mr. TROTT. I agree.

The CHAIRMAN. Your answers to the questions indicate, Mr. Trott, that the Department of Justice can, if it chooses, attempt to correct the problems that have plagued the Lake Charles area in general and local 406 in particular. Do you know that new information did come from yesterday's testimony at the hearing which will help you in this matter. It seemed to me, it showed evidence that to get a job you had to give sexual favors to union officers in exchange for job referrals. Could this constitute an actionable offense under existing Federal law?

Mr. TROTT. We were discussing that this morning. There are problems with that, as a legal matter, but we intend to take a look at that, analyze it, and determine whether that could be a predicate for the bringing charges of Federal criminal violations.

The CHAIRMAN. It seems to me, it would be extortion, at the very least.

Mr. TROTT. It should be, but I am reluctant to give you an opinion on that until I have an opportunity to look into it and do the legal research involved. However, there is another hook for something like this, and that is, we should not overlook the possibility of some sort of State response on something like this. One of the hallmarks of this administration is not to be myopic and look only in the Federal court for solutions. On occasion, when I was the U.S. attorney in Los Angeles, and we found criminal behavior that did not fit comfortably into Federal criminal statutes, we would cross-designate assistant U.S. attorneys to become deputy district attorneys in the county for the purpose of bringing a State prosecution. So, notwithstanding Federal problems, it is conceivable that we have a State law that could be violated.

The CHAIRMAN. I would appreciate it if you would look into both of them. I like that concept because I think if a former district attorney is down there intimidating witnesses, as was indicated yesterday, then it may be difficult to get some of the present district attorneys to do the job that has to be done. So I would appreciate your looking into that. Would you send us copies of your legal analysis that you come up with, with regard to any of the issues in this case? We would like to be kept informed on this, and if we need to hold further hearings, we will.

Mr. TROTT. Yes, Senator, we will keep you informed on that issue.

The CHAIRMAN. OK. I appreciate that. That helps a lot.

Gentlemen, I would like to conclude with some questions about the circumstances surrounding the grand jury which was sitting in June 1981 in Lafayette, La. In your statement, Mr. Clarke, you testified that an official from Operating Engineers Local 406 was known to be lodged at a nearby motel during the grand jury proceedings. Yesterday, one of the witnesses testified that a Mr. C. J. Laird, who was at a nearby motel, was calling those union members waiting to testify before the grand jury. Was Mr. Laird the union official to whom you referred in your statement?

Mr. Clarke. Senator, I am reluctant to loosely throw names around of people who may be the subjects of investigation. I would prefer that we collect the evidence necessary that would warrant prosecution if the evidence would support that.

The Chairman. You are saying that Mr. Laird may be the subject of an investigation?

Mr. Clarke. I am saying I would prefer not to use names of potential subjects and talk more in generic terms as opposed to specific ones.

The Chairman. But you are aware that there was a man in a motel?

Mr. Clarke. We were aware of two union representatives, one an official and one a member of the union, were lodged in a nearby hotel.

The Chairman. Were you aware that they were calling these potential grand jury witnesses?

Mr. Clarke. We had information indicated they may be engaged in activity of attempting to influence testimony of witnesses who were to appear before the grand jury. Yes, Senator.

The Chairman. You see, that alone really causes me a lot of concern. The FBI comes up with all of this information and then the ball is dropped there.

Mr. Trott. It was not a failure of the FBI. The prosecution arm could have done more with that information. That is one of the reasons why I am so candid in accepting responsibility for a lack of aggressiveness which we would have liked to have seen on that issue.

The Chairman. I will tell you, I have a feeling you are going to go very far in the Justice Department. Maybe you will not go very far at all because of your testimony, but as far as I am concerned, you are going to go very far. I do not mean to embarrass you, but your testimony is really refreshing, not because we want to find fault with the Justice Department but because it is true in this case.

Mr. Trott. I have always understood that the quickest way to remedy a situation is to admit what the situation is and then move on quickly to do something about it.

The Chairman. I really appreciate that. Several of the witnesses yesterday testified that a Mr. Frank Salter was permitted to question those members who had testified before the grand jury, in front of individuals still trying to testify. Those witnesses claim that Mr. Salter's presence was meant to have and succeeded in having a chilling impact on the prospective witnesses. Now, Mr. Trott, why were the witnesses not better protected during the grand jury proceeding outside of that grand jury room?

Mr. Trott. I cannot answer that question.

The Chairman. If we hold an additional grand jury down there—and I presume you will as a result of this hearing—will you make sure that the witnesses are protected, not only immediately outside the room but also in general?

Mr. Trott. We will do everything we can. There is a new sensitivity now, with the passage of the Victim and Witness Protection Act. There are now new obligations on the part of Federal prosecutors to try to do everything conceivable to protect witnesses and to make sure that they are not harassed and intimidated. There are new statutes that give us additional tools to move against people who do that, and we will do everything legally within our power to make sure that this is done in this case.

The CHAIRMAN. That means a lot to me. I believe both of you will agree that the Lake Charles area has an infamous reputation for union violence, and efforts to corral this violence really have been pretty much frustrated. Your statements today seem to verify this assessment.

Fourteen rank-and-file members told the bureau in private about illegal payments. You state that only one person testified on this point. If there was an effort to intimidate the witnesses, it would appear that such an effort was successful. Even more troubling, it appears that this intimidation was not discouraged during the grand jury proceedings. You have indicated that you will take the necessary steps to make sure that the next grand jury will not suffer from these defects?

Mr. TROTT. We hope to remove those defects.

Mr. CLARKE. Senator, just one correction there. You indicated that only one testified. I think there were more than one of the 14 that testified to that.

The CHAIRMAN. Just for the record, you are going to review this complete record, you will interview all of these witnesses, and you will see what can be done to bring justice in this case, both of you?

Mr. CLARKE. We will give this case a thorough review. With the partnership of the prosecuting arm of the Department of Justice, we will take whatever action is available to us to get to the bottom of this.

Mr. TROTT. With Mr. Clarke's permission—because I have not asked him this—we will sit down shortly after these hearings, Mr. Clarke and myself, review where we are and determine, so to speak, a battle plan for how we ought to approach the tasks that await us.

The CHAIRMAN. I want to thank both of you for testifying. I hope my questions made clear my interest in this case and my commitment to do all that I can to make sure that the rights of these rank-and-file members are better protected in the future. The testimony yesterday made it clear what a mess the Lake Charles area is and that you really do need to be involved in cleaning it up. I hope that by working together we can accomplish that goal quickly. I just want you to know that we are not going to drop this hearing and drop our interest in it just because of the hearings we have held. We will follow up on it, and we hope that we can cooperate with you and that you can cooperate with us in doing so. We would like to be kept abreast of what really is going on down there, and we will be happy to help in any way we can, to help you to do your jobs and to get this done in a manner that actually will result in justice down there to the people.

I want to thank both of you for testifying here today. With that, let us just take a two-minute short recess, because I want to chat with both of you.

Mr. TROTT. Let me say one final thing. I want to make it clear that nothing I have said today should be construed as criticism of the U.S. attorney in the western district. We have confidence in that U.S. attorney, he is a good person, and these were situations that arose really in a sense because of understaffing in matters that were out of his direct control. We intend to work with him, and we know he shares our interest in this. Together, cooperatively with the FBI, we will do everything we can to remedy the situation.

The CHAIRMAN. I feel confident he is a good man and that this will work out just fine. Frankly, with the evidence I have heard, I would like to see some indictments down there, and I would like to see those pursued. I do not care who the defense attorney is, I think with some of the evidence you have now, you can maybe clean up some of the mess that is going on down there. I just hope that is the case.

We will take a two-minute recess. I just want to chat with all three of you for a second.

[Recess taken.]

The CHAIRMAN. The committee will come to order.

Go ahead, Mr. Tynes. If you could summarize, we would appreciate it.

STATEMENT OF MAURICE TYNES, ATTORNEY-AT-LAW, LAKE CHARLES, LA.

Mr. TYNES. Thank you, Mr. Chairman.

I will submit for the record the written statement prepared for my rebuttal. It, of course, is in a slightly different tenor because I was looking at Mr. Clarke's statement as well as Mr. Trott's statement, and they have supplemented that, to our great happiness.

I would like also to submit into the record an April 1983 letter I wrote to Mr. Joe Cage, offering him additional evidence. The reason I offer that is because in carrying out the civil litigation which I mentioned yesterday, we have come across considerable evidence of criminal conduct and criminal activity, which we have only looked at in terms of its civil meaning. So I want on the record to offer Mr. Joe Cage, the U.S. attorney in our district, as well as the FBI my civil litigation files, and we would certainly cooperate in any way possible with the development of information on the criminal side.

I realize the FBI is quite skilled at investigation, but sometimes myself and others who are among the working men can gather information better than the FBI. For that reason, we certainly hope they will contact us and let us help them in this investigation, to the legal extent necessary.

The CHAIRMAN. I have a feeling they are going to contact you. Without objection, we will put all these statements in the record.

[The prepared statement of Mr. Tynes and the letter referred to follows:]

REBUTTAL TO STATEMENT AND TESTIMONY OF REPRESENTATIVES OF THE JUSTICE DEPARTMENT

THANK YOU, MR. CHAIRMAN:

ONCE AGAIN, WE APPRECIATE THE OPPORTUNITY TO ADDRESS THE SUBJECT OF PROSECUTION OF CORRUPT LABOR LEADERS. THESE REMARKS ARE DIRECTED EXPRESSLY TO THE WITNESSES FROM THE JUSTICE DEPARTMENT.

WE CERTAINLY WANT TO CONGRATULATE THE DEPARTMENT FOR ITS PAST SUCCESSES. HOWEVER, BASED ON THE DEPARTMENT'S ATTITUDE NOW EXPRESSED IN THE STATEMENTS I HAVE HEARD, I AM APPALLED, DISMAYED, AND PERPLEXED. THE ATTITUDE NOW SEEMS TO BE ONE OF CAUTION, AND TIMIDITY WHEN IT SHOULD BE ONE OF CREATIVENESS, INGENUITY, AND AGGRESSIVENESS. I THINK SOMEONE IN THE DEPARTMENT SIMPLY WANTS TO COVER THEIR BACKSIDE. YOU ARE LOOKING FOR AN EXCUSE NOT TO ACT INSTEAD OF A REASON TO PROSECUTE. HAS SOME LABOR LEADER TELEPHONED HIS SENATOR OR CONGRESSMAN WHO, IN TURN, TELEPHONED SOMEONE IN THIS DEPARTMENT? IF THESE HEARINGS HAVE BEEN OPPOSED BY THE SO-CALLED LABOR CHAMPIONS, ABSENT FROM THIS HEARING, CAN WE NOT CONCLUDE THAT PROSECUTION HAS BEEN OPPOSED LIKEWISE?

WHEN WILLARD CARLOCK USES A UNION TELEPHONE, SITTING IN A UNION CHAIR, IN A UNION HALL, AND GIVES INSTRUCTIONS TO A UNION SECRETARY, OR RIDES TO A JOB IN A UNION CAR, ON UNION GASOLINE, AND IN SO DOING ACCOMPLISHES THE EXTORTION OF A corrupt payment from his own union members, or carries out his threat to have a member laid off who will not make such a payment, you will never convince me this is NOT conversion of union property in direct violation of 29 U.S.C. 501(c) which states that:

> "Any person who unlawfully converts to his own use, any of the property or other assets of a labor organization of which he is an officer, or by which he is employed, shall be fined not more than $10,000 or impriosned for not more than 5 years, or both."

The Robinson case you cited, was a successful prosecution under 29 U.S.C. 501(c). The other cases, after Robinson, of which you were not even proud enough to cite by name in your statement, did not mention the Robinson case, and certainly did not overrule it or criticize it. In fact, those cases do not apply to our fact situation. Gentlemen, you have the conversion of property facts you say you need, and you had them in 1980-81 at the Grand Jury.

Your statement indicates that you have thrown in the sponge without any attempt to develop a new theory to avoid the holdings in these cases, if, in fact, they are troublesome to you.

For example, it is logical, simple, and lawful to prosecute Carlock under the Hobbs Act, and establish jurisdiction by readily showing the facts that:

a) Carlock is a business agent of a union local affiliated with an International Union in turn affiliated with the AFL-CIO; and

b) Carlock's Union local has a collective bargaining agreement between it and an employer association covering the whole state of Louisiana; and

c) Carlock's union members, when working, all receive fringe benefits for health and welfare plans and pension plans, administered under Federal law; and

d) All of Carlock's union members work from time to time on enormous projects of national and international affect and importance; and

e) The whole scheme of organized labor is, in fact, regulated under the Constitutional authority of the interstate commerce clause, and the NLRA and other laws, after Congress found that organized labor was inseparable from interstate commerce.

Who can deny that a corrupt business agent who extorts money, equipment loans, sex and services from his members is inseparable from interstate commerce. The effect on interstate commerce resulting from a pattern of extorted corrupt payments in the above circumstances is patent on its face.

In the Mattson case, it is said: "Any effect the extortion had beyond the personal effect on Anderson was too attenuated and was removed one step too far to come within the Hobbs Act." We can't argue with this: Anderson was some isolated license applicant in the city of Chicago. Truman Johnson, Gene Barr, Janice Green, John Sylva, and the dozens of members extorted by Carlock are not isolated incidents; the effect is _not_ too attenuated. What will happen to this union and its viability as a representative of its members if this corruption is not stopped by prosecution?

You may find the following case useful. It is _U.S. v Daley_, 564 F.2d 645(1977)(2d cir.). Daley was accused of extorting his union members into hauling stone to his home without pay, and extorting two companies into providing the stone free of charge. His conviction under the Hobbs Act was upheld. The Court went on to say: "Moreover, the corrupt abuse of the power of a union official in our view is precisely the type of activity which the Act was designed to embrace." The _Daley_ case is from the same circuit as the _Robinson_ case, and is still the law.

Perhaps I have been too zealous and I hope my criticism is taken as constructive. I am absolutely positive that in the federal District Court of Lake Charles you will be welcomed to prosecute Mr. Carlock. Furthermore, I assure you the 5th Circuit Court of Appeals will uphold the jurisdiction decision.

Let's stop hiding behind the problem and look for new solutions. You can be assured that a new investigation will end in a successful prosecution, and Lake Charles will have a chance to return to honest unionism, and the deterrent effect on others nationwide will be manifest. . .and, of course, interstate commerce will be unburdened.

LAW OFFICES OF
DAVID L. LEVINGSTON
MAURICE L. TYNES
HENRY R. LILES, PLC
LLOYD KEITH MILAM

330 ALAMO STREET
LAKE CHARLES, LOUISIANA

AREA CODE 318
433-6539

April 19, 1983

Mr. Joe Cage, Jr.
U. S. Attorney
Western District of Louisiana
Federal Building
Shreveport, Louisiana 71100

Dear Mr. Cage:

I represent Mr. Howard Taliaferro. On his behalf, I request that the federal Grand Jury investigation of Willard Carlock, Sr. and Local Union 406, Operating Engineers, be re-opened. Mr. Taliaferro has offered evidence to the F.B.I. not available formerly, based upon his own personal knowledge, of payoffs of union members to Mr. Carlock in order to continue employment.

The specifics of this evidence as well as other evidence, not available formerly, can be made available to you at your request.

We would appreciate your immediate attention to this request.

Yours truly,

MAURICE L. TYNES

MLT:ih

COPY

The **Chairman**. Thank you, Mr. Tynes. We appreciate having you here.

Our next witnesses will be a panel of witnesses from Ohio, who will comment on the referral system of Operating Engineers local 18 in Cleveland and Toledo. We would like to welcome Prof. Stephen W. Gard, from Cleveland-Marshall College of Law, in Cleveland, and two rank-and-file members of local 18, Ervin Shimman of Toledo, and William F. Murphy of Orwell.

We had invited Mr. Frank J. Miller, business manager of local 18, to testify and had been assured by the International that he would be here. However, it is our understanding that he decided not to come. We will hold the record open for written statements from both Mr. Miller and Mr. J. C. Turner, president of the International, who also declined our invitation that he appear. We will keep that record open, at least through the middle of next week, and we are hopeful they will submit statements for the record. We naturally prefer for them to appear in person, but we will permit them to submit written statements.

Mr. Fadel, as I understand it, you represent Mr. Miller.

STATEMENT OF WILLIAM FADEL, ATTORNEY-AT-LAW, ON BEHALF OF LOCAL 18, INTERNATIONAL UNION OF OPERATING ENGINEERS, CLEVELAND, OHIO

Mr. **Fadel**. Thank you, Senator. My name is William Fadel. I am the attorney for the International Union of Operating Engineers, Local 18.

The **Chairman**. Where do you practice law, Mr. Fadel?

Mr. **Fadel**. In Ohio.

The **Chairman**. In Cleveland?

Mr. **Fadel**. Yes, sir.

Senator, apparently there has been some misunderstanding. It was my understanding that I was going to be permitted to testify after Professor Gard, Mr. Shimman, and Mr. Murphy in regard to these referral matters, on matters that I thought might be of interest to the Senator and the committee. Mr. Phillips indicated that the invitation was to Mr. Miller.

The **Chairman**. Yes, it was.

Mr. **Fadel**. I understand that, after talking with Mr. Phillips just about 5 minutes ago. We are, as Mr. Phillips may know and the Senator may not know, involved in some litigation which is pending now in the Federal District Court in Akron, Ohio, of which Mr. Gard is counsel for Mr. Oberle and Mr. Gradel. Based upon the fact that I have been involved with the litigation of the local union and am familiar with the referral policies as they existed some time ago and as they have been reformed presently, I wanted to appear and explain that to you, Senator.

It was not until this morning, in all honesty, when I received the agenda, was I aware that I was not on the agenda of the hearing this morning.

The **Chairman**. Let me try and clarify it. We did send a letter to Mr. Miller on January 30, 1984, inviting him personally to testify. We generally prefer the actual participants in these matters.

Let me just say this to you. We do want you to have the opportunity, so we will keep the record open, and we will be happy to accept your written statement as well. But we would also like a written statement from Mr. Miller and also from Mr. J. C. Turner, if they are inclined to give us one.

Mr. **Fadel**. Senator, I appreciate that. Thank you very much. I understand your desire to have the individuals involved testify before this committee. But I might indicate that Mr. Gard is neither a member of local 18, nor does he represent Mr. Murphy or Mr. Shimman. Apparently, that is where my confusion arose.

I was briefed, unfortunately, not by Mr. Phillips, because he was involved in many matters in scheduling this hearing. But he asked Mr. Gard to brief me, which was somewhat problematic. I have known Steve Gard for a number of years, but we are in an adversarial position, and cases that are pending, lawyers being what they are, are somewhat guarded in their statements. Mr. Gard briefed me as well as he could as to what his statements were today, but when it came to specifics as to what Mr. Shimman would testify to, I do not even know what it is.

The **Chairman**. Let me do this, sir. We have scheduled these witnesses for today. I would like you to listen to them. I will keep the record open for written statements from Mr. Miller, Mr. J. C. Turner, and yourself if you would like. If you feel you need to orally testify after these fellows testify today, then I will consider your request to have you come in and orally testify.

Mr. **Fadel**. We would welcome that, Senator. My client would welcome——

The **Chairman**. I want your client here, you see. I would rather have him here personally than have a written statement.

Mr. **Fadel**. I just finished saying that my client and I would be more than pleased to approach this committee and to testify to some of the reforms that have taken place and the referral system that exists in local 18 today. Our problem was that we have no basis—I do not know what testimony is going to take place here today.

The **Chairman**. I do not either.

Mr. **Fadel**. And you do not either.

The **Chairman**. I have some idea, yes.

Mr. **Fadel**. I am prepared today. We will be prepared in the future. I respect and accept the invitation to respond, both orally and in writing, and the administration of local 18 welcomes the opportunity.

The **Chairman**. Thank you. Had Mr. Miller been here today, we would have had him testify, and you could have also.

Mr. **Fadel**. The reason Mr. Miller is not here is, I was not aware that it was necessary for him to be here, in my conversations either with Mr. Phillips or Mr. Gard. And further, I did not think that there was any problem with me testifying at all.

The **Chairman**. I see. Then Mr. Miller must not have given you the letter that we sent to him.

Mr. **Fadel**. No. I have the letter, Senator.

The **Chairman**. OK. Then you were aware that we invited him.

Mr. **Fadel**. I discussed the letter with Mr. Phillips on the telephone.

The **Chairman**. I understand your point. Our major point is to get these matters out. If you find that there is any falsehood here today or anything with which you disagree, you let me know, and we will certainly try to make that opportunity for you.

Mr. **Fadel**. I appreciate that, Senator.

The **Chairman**. We want to be fair to you. On the other hand, I would have appreciated it a lot more if Mr. Miller had been here.

Mr. **Fadel**. Well, I offered to bring Mr. Miller down to meet with you, Senator, and Mr. Phillips prior to the hearing and present to you and to Mr. Phillips all documents that we had, and to have the opportunity of Mr. Phillips meeting with Mr. Miller to talk to him about matters that were of concern to this committee. But the time being what it was and Mr. Phillips being involved, obviously, with these hearings and your involvement, you were unable to do so.

The **Chairman**. As a general rule, I do not chat with witnesses before these hearings. I generally wait for the hearings and let the chips fall wherever they may. In essence, what I am saying is, we will certainly try and be fair to you. I do have this set up for today. I would have had Mr. Miller testify had he been here, and you would have been able to make any remarks you want to. It is just a matter of timing today. But if you feel that you need to testify and Mr. Miller does—and I would want him here if you do—then you see me right after this hearing.

Mr. **Fadel**. Senator, we welcome the opportunity to address this committee, either in writing or orally at a later time. Thank you.

The **Chairman**. We appreciate it. You definitely have that right to write and submit anything in writing. If that would solve it, I think that is the record. If it does not solve it, I want you to talk to me and we will sit down and see what can be done.

Mr. **Fadel**. We will submit a statement in writing; no question about it.

The **Chairman**. We want to be fair to you, and we will.

Mr. **Fadel**. That is why I was here. Thank you very much.

The **Chairman**. Thank you so much.

Let us begin with Mr. Gard.

STATEMENT OF STEPHEN W. GARD, PROFESSOR OF LAW, CLEVELAND-MARSHALL COLLEGE OF LAW, CLEVELAND, OHIO

Professor **Gard**. Thank you, Senator.

I understand that you have my written statement and the accompanying documentation.

The **Chairman**. I do. If you can summarize, I would appreciate it.

Professor **Gard**. I would like to summarize it. Thank you.

I am a law professor at the Cleveland-Marshall College of Law. I do not ordinarily engage in litigation; instead, I teach and write in a scholarly manner. But I am here today in my capacity as counsel for two plaintiffs in presently-pending lawsuits against local 18 of the International Union of Operating Engineers: Mr. Gradel and Mr. Oberle.

Both of them allege in their complaints that they have been victims of massive employment referral discrimination by local 18, extending over the past decade. With me today is Mr. Murphy, who himself has been a victim of such employment discrimination, extending over virtually a decade, and who is a successful plaintiff in a Federal court action against local 18, which is presently pending on appeal in the sixth circuit. Also with me today is Mr. Ervin Shimman, who also alleges that he has been a victim of massive employment referral discrimination by local 18.

The abuses in local 18 have a long and unfortunate history. Local 18 was one of the centerpieces in the original investigations of the McClellan committee, which found that it stood as an unfortunate example of bad unionism in America. It documented many abuses. Since then, members of local 18 throughout the 1970's have attempted through court action and through the National Labor Relations Board to seek redress of their grievances for employment referral discrimination.

If I might mention just briefly, in *NLRB* v. *Local 18,* the sixth circuit affirmed a finding that local 18 engaged in unlawful employment referral discrimination. Again, in *Shimman* v. *Grothaus,* there was a finding by the northern district of Ohio, affirmed by the sixth circuit, of wrongdoing by local 18. In Mr. Murphy's case, the judge found, "The inherent subjectivity of the job referral system has enabled the members of the incumbent administration to manipulate employment referral in such a fashion as to benefit supporters and punish dissenters. This manipulation has been evidenced by the operation of the referral itself and by the various statements of members of local 18's administration." Indeed, Judge Lambros of the northern district of Ohio found that the defendant union officers had engaged in a conspiracy of massive proportions. And in addition to awarding Mr. Murphy compensatory and punitive damages, he also granted injunctive relief to reform the referral system, to require that it be open to public inspection and to mandate that recordkeeping be made of the referrals.

That order was initially entered on July 18, 1978. It was not until more than 4 years later, after the filing of two motions for contempt sanctions, that ultimately local 18 complied with the injunctive portions of that judicial order. That case is now pending on appeal in the sixth circuit. Mr. Shimman will testify in a moment and provide documentation that since that date, his complaints to the National Labor Relations Board concerning operation of the referral system have not been acted on by the National Labor Relations Board, their position instead being that he is to forego his grievances and the economic devastation that they put upon him pending the final result in the sixth circuit or perhaps even in the U.S. Supreme Court of Mr. Murphy's case.

Throughout this period, the leadership of local 18 remains essentially the same. Although the individuals have changed specific offices, the vast majority of them have been officeholders throughout this entire period. Thus, for example, Frank J. Miller, the business manager of local 18, has been an officer of that local since 1968. The vice president of the local has been an officer of local 18 since 1965. All of these individuals were present throughout this period of employment referral discrimination which has been documented by findings of fact and court orders issued by the Federal courts.

Yet we have no evidence of any protest by any of these individuals within the union or outside the union against what has been documented as having occurred in the past.

We believe that the problems in local 18 continue to exist. As recently as 1984, we believe that Mr. Murphy has been denied his right of electoral participation as required by Judge Lambros' order in *Murphy* v. *Local 18.* I would like in a moment to introduce the copies of his letters of grievances to the business manager of local 18, Frank Miller, and to the chairman of the election committee of local 18, Max Kendrick, outlining how in the election this past month, there was a denial of the right to speak to local 18 membership, the denial of the right to inspect union membership lists, and the frustration of his right as a candidate to have an observer present to witness the mailing of the ballots.

In addition, we believe that there have been repeated violations of fiduciary obligations owing to local 18 under 29 U.S.C. 501 of the Labor Management Reporting and Disclosure Act by officers of local 18.

I hope you will understand that at this point we have not yet filed suit on the 501 grievances. We have had no right of discovery. Our information comes from members of the union and from requests for information from local 18. The responses to those requests have been rather meager. I will present as a document to this committee a letter outlining serious abuses from Mr. Shimman to Frank J. Miller. We have Mr. Miller's response to that letter.

We believe that letter essentially admits that for a substantial period of time, local 18 has carried a large number of members on their membership roll, even though the members have been in substantial arrearage in their dues. As a result of this, local 18 became obligated for the per capita tax to the international union for those members. This is a substantial sum of money which has been lost to the members of local 18 as a result of the failure to properly account within the union, by the union leadership, in a proper manner. In addition, there is no claim by Mr. Miller that the membership ever approved this action by the union.

In addition, in the fall of 1982, the local 18 made a political contribution of $15,000 to Richard Celeste, who at that time was a candidate for the Governor of the State of Ohio. This contribution is documented on page 138 of the preelection report on file in the Ohio Secretary of State's office. This contribution was made out of the general fund of local 18 and not out of local 18's separate political action fund.

I should emphasize that this contribution is not contrary, to the best of our knowledge, to any Federal or State criminal law. However, our investigation to date indicates that there was no specific authorization by the membership of local 18 for this contribution, and that therefore it is our position that it would violate the union's fiduciary obligations to its membership.

I would like to turn now to what we view as the most outrageous abuse of local 18, and that is employment referral discrimination. There was a finding that Mr. Murphy was the subject of employment referral discrimination by local 18. Rather than go through all the facts of that case, let me just summarize by telling you his work record over the last decade. I will present his pension fund documents in order to support these figures.

He became a dissident within local 18 in 1970. In 1971, he worked only about 200 hours. In 1972, he was not referred to a single job. In 1973, he worked approximately 2 weeks out of the entire year. In 1974, 1975, 1976 and 1977, he was not referred to a single job. After a period of 4 years, in 1978, he was employed for 4 hours in that year. Then, again in 1979, he was not employed at all.

It is hard to believe that a person who has been a member of a union since 1964 could have gone for this span of time having virtually no employment through the union referral system without there being some manipulation of the referral deck. This is precisely what Judge Lambros found occurred in his findings of fact in that lawsuit.

My client, Glenn Oberle, has been a member of the union since the late 1940's, and his work record, although not as stark because of his extraordinary skills and his qualifications as a master mechanic, still nevertheless demonstrates substantial employment referral discrimination. In 1974, he worked only 21 weeks. In 1975, 22 weeks. In 1976, he had the misfortune to testify for Mr. Murphy. Coincidentally, in that year, he worked 4½ weeks as a result of union referrals. Sixteen weeks in 1977. He had 2 relatively good years, with 27 and 25 weeks, the following 2 years. In 1980, 13½ weeks. In 1981, 3 weeks. In 1982, 7 weeks. It is again hard to believe, from these overall figures, that it could be the result of fair operation of the union referral system.

Let me draw a contrast for you. Documents which I have given to Mr. Phillips and which will be introduced here today in the case of James Nevitz are truly revealing. In 1978, Mr. Nevitz became romantically involved with the daughter of Steve J. Mayer, who is an officer of local 18. Prior to that time, he had no work experience with local 18. At the urging of Mr. Mayer, Mr. Nevitz promptly registered with local 18's hiring hall, virtually contemporaneously with his romantic involvement and marriage to the union official's daughter. They were married on November 18, 1978.

Mr. Nevitz received extraordinary treatment through the union referral system and began working steadily in 1978. Unfortunately, he and his wife had marital difficulties, were separated in January 1981, and ultimately divorced. Perhaps not coincidentally, Mr. Nevitz has never been referred for employment again by local 18 after March of 1981.

Let me give you the gross figures. They are truly significant. Prior to June 1978, the time of his romantic involvement with the union official's daughter, he had worked zero hours for local 18. Zero. June 1978 to June 1979, he worked 1,500 hours. The following year, June 1979 to June 1980, he worked over 2,000 hours. June 1980 to March 1981, he worked over 1,300 hours. March 1981 to the present, Mr. Nevitz has worked zero hours. He has not once received a referral from the union. He has no hours.

The economic effect on Mr. Nevitz is truly extraordinary. In 1977, he earned $3,000. His income then jumped in 1978 to almost $14,000. In 1979 and 1980, during the marriage, he earned over $20,000 each year. In 1981, following his separation, he earned $5,500.

Mr. Nevitz was in the lower priority B deck. Members who are within the B referral deck by union rules are not to be referred until all of the members in the priority A deck have been called and are no longer available for employment. No member of the B deck should be referred until after all members of the A deck have been given the opportunity for employment.

In 1980, Mr. Nevitz worked over 2,000 hours. Mr. Nevitz was in the B deck. In that same year, Mr. Murphy, who was in the A deck, worked only 80 hours by referral. How could that be the result of a fair employment system?

The abuses in the union referral system that we have found and which have been documented by court order in local 18 require—and I respectfully submit they require—legislative action. At the present time, the Labor Department requires that referral decks be open to inspection by the union membership. There is, however, no realistic enforcement mechanism for this to occur. It took Mr. Murphy from 1973, when he filed his lawsuit, until 1982 in order to have the right to inspect the referral deck as a result of a court order. We need Federal legislation which not only requires that referral lists be open to inspection by the union membership but, furthermore, that unions be subject to inspection and recordkeeping requirements. There should be recording devices attached to specifically designated dispatch telephones within hiring halls so that records can be kept and we can later determine whether or not a person has been discriminated against.

This would not be overly burdensome. It is presently contained in Judge Lambros' order, in Mr. Murphy's case, and it is presently being implemented by local 18. In addition, no Federal statute explicitly prohibits employment referral discrimination. The Labor Management Reporting and Disclosure Act guarantees union members certain rights, such as electoral participation and free speech. It only prohibits referral discrimination in those instances where the member can prove that he was discriminated against in employment as a result of his exercise of an LMRDA-guaranteed right. In other words, if you cannot prove that you were exercising your LMRDA-rights and were therefore retaliated against, under the LMRDA the union can discriminate against you in the deck all it chooses.

The National Labor Relations Act, again, contains no explicit prohibition of referral discrimination. The NLRB and a couple of Federal court decisions have held that fair referral operations are required by the duty of fair representation. That is not adequate. We submit that is wholly inadequate. Mr. Shimann can testify as to his involvement with the NLRB and his complete frustration. The NLRB's primary responsibility is to deal with collective bargaining. They have neither the resources nor the time to deal with the problems which are had by individual union members who are discriminated against in referrals. These people need a remedy.

Under the National Labor Relations Act, there is no provision for attorney's fees, no provision for punitive damages, no provision for personal liability of union officers who act in a malicious manner or with reckless disregard of the rights of union members. And finally, in addition to a Federal statute which explicitly prohibits referral discrimination a federal statute is needed to explicitly prohibit employment steering by unions.

An amazing thing has happened in local 18. Although the union referral lists were not available for inspection prior to the court's order in 1982, it is our understanding that most jobs were filled by referrals through the union hall prior to that date. In October 1982, when Judge Lambros ordered that the referral deck be open to inspection by union members and required the posting of dispatches, suddenly the entire manner of operation of local 18 appears to have changed. Now our records, which again will be submitted as documentation to this committee, indicate that overwhelmingly jobs are filled by request of the contractors.

We believe steering occurs. At least it merits investigation as to whether or not there is steering going on. Whether contrary to Judge Lambros' court order, union officials are using their influence—which is quite large with contractors—to persuade contractors to request certain individuals for their jobs or to encourage and persuade contractors to not request individuals for certain jobs. I know that today in this room is Mr. Rollo Zoll, who is a master mechanic on a local 18 job which is presently going on. He presently holds the position of master mechanic and is available to testify as to the pressures which have been exerted on him to secure employment for favored union operators and has been discouraged from hiring disfavored union operators as a result of steering through the request system.

Finally, and perhaps the most difficult area that needs to be addressed by legislation, particularly in the referral discrimination area, is that of the exhaustion of intraunion remedies. For plaintiffs in these actions, intraunion remedies are a gauntlet. They go on forever. They are inadequate, in and of themselves. We need, by Federal legislation, in a statute prohibiting employment referral discrimination, a simple straightforward fast exhaustion provision, a requirement that the union notify the applicable union official, that the union official respond to the member promptly, and that once that response is given, if it is not favorable, the union member be entitled to go to court to redress his grievances.

Employment referral discrimination does not wait. When it occurs, these people do not work. There are massive incentives not to complain about employment referral discrimination. These union members are truly entirely dependent upon the union for their employment opportunity. Unless they have been massively discriminated against, our experience is that they will not complain, because if they do complain, they are only inviting further retaliation. When the complaint does come, they need speedy relief. To have to wait 4 months, 6 months, 8 months, 1 year—or in the case of Mr. Murphy, several years—without any economic compensation means massive economic hardship. Thank you.

[The prepared statement of Professor Gard follows:]

STATEMENT OF:

STEPHEN W. GARD
Professor of Law
Cleveland-Marshall College of Law
Cleveland, Ohio 44115

I.

Initially, I would like to emphasize that I am a law professor and have, for the last nine years, devoted myself to teaching and writing in the areas of constitutional law and torts. Although I am admitted to practice in the state of Ohio and Indiana, I have by choice not engaged in private practice since I began teaching in 1975. Nevertheless, I am here today because I am counsel representing plaintiffs in two lawsuits presently pending in the United States District Court for the Northern District of Ohio, Oberle v. Erwin, Civil No. C80-1652 and Gradel v. Erwin, Civil No. C80-1974. Both are actions against Local 18, International Union of Operating Engineers and its officers alleging massive employment referral discrimination against union members seeking employment through the union's exclusive hiring hall. In both cases it is alleged that this discrimination has continued for approximately a decade.

When I was first approached in 1980 by my colleague Professor Alan Miles Ruben to participate in these cases I was very reluctant to do so. It would be contrary to principles which I hold dear to take a position which would even appear to be anti-union. As a strong advocate of civil liberties I believe the tenets of the labor movement, brotherhood, equality and social and economic justice, deserve unfailing loyalty. But when I reviewed the materials relevant to the Oberle and Gradel cases, and read the decision of the federal district court in Murphy v. Local 18, International Union of Operating Engineers, 99 LRRM 2074 (N.D. Ohio 1978), I became convinced that Local 18 had departed so far from the principles that have given labor unions their greatness that I had to become involved. Today I am here to share with you the information which brought me to this decision. In addition, I would like to bring more recent relevant information to your attention and suggest the need for further investigation and legislative reform.

II.

It is important for this Committee to be aware that Local 18 has a long and unfortunate history. Significantly, the McClellan Committee made the following findings:

> Within the ranks of United States labor the men who handle heavy equipment form a distinct elite. On their skill and efforts depend our giant construction projects: our highways, bridges, subways, great buildings, military bases, atomic plants -- all the many massive engineering feats essential to our national growth.
>
> It would seem a foregone conclusion that any union made up of men so intimately a part of the mainstream of American progress would itself embody every advance achieved by the labor movement to date. This expectation is, however, at painful variance with the facts. Of all the unions subject to committee inquiry over the past year, none has proved more backward, more indifferent to the changing times, more incredibly feudal, than the International Union of Operating Engineers.
>
> Under a constitution, unworthy of the name and, even so, seldom observed except in the breach, IUOE members have dwelt in a state of servitude scarcely imaginable in the midst of a democratic society....
>
> ....
>
> In the American Labor Movement the International Union of Operating Engineers stands out as an ugly example of ruthless domination of working men and women through violence, intimidation and other dictatorial practices.
>
> The hearings of this Committee concerning the activities of the Operating Engineers Union clearly demonstrated the lack of democratic procedures within the union and exposed to public view the ruthless ends to which the union's leadership

> will go to stifle any semblance of democratic action. Interim Report, Select Committee on Improper Activities in the Labor or Management Field, United States Senate, 85th Congress, 2d. Sess., Report No: 1417, March 24, 1958 at 371, 437 (emphasis added).

Apparently, neither the censure of the McClellan Committee and the accompanying unfavorable publicity nor the passage of the Labor-Management Reporting and Disclosure Act, 29 U.S.C. § 401, *et*. *seq*., in 1959 has had any deterrent effect upon Local 18 of the International Union of Operating Engineers. Thus, in 1971 the Sixth Circuit Court of Appeals affirmed a decision of the United States District Court for the Northern District of Ohio setting aside a Local 18 election of union officers as void and ordering a new election. The Sixth Circuit held that Local 18's restrictive eligibility rule for candidates for union office precluded the candidacy of over 60% of the union's membership. The Sixth Circuit noted succinctly, "To sell the right to run for union office ... is patently undemocratic." *Hodgson v. Local Unions 18, 18A, 18B and 18C, International Union of Operating Engineers*, 440 F. 2d 485, 488 (6th Cir. 1971).

In *NLRB v. International Union of Operating Engineers, Local 18*, 500 F. 2d 48 (6th Cir. 1974), *aff'g* 205 NLRB 146 (1973) the Sixth Circuit Court of Appeals affirmed a finding that Local 18 had engaged in the unlawful practice of threatening dissident members with loss of employment opportunities and other reprisals because they opposed incumbent union leadership.

In *Shimman v. Grothaus*, Civil No. C73-364 (N.D. Ohio 1975), *aff'd*. *sub*. *nom*., *Shimman v. Frank*, 625 F. 2d 80 (6th Cir. 1980), Judge Young found that "Local 18...had determined that it would be necessary to use physical violence to beat the members of District 2 [of Local 18] into submission." *Id*. at 10. Judge Young further found:

> The conclusion is inescapable that when all other means of silencing dissent had failed, blood was made to flow in the union hall. After that... plaintiff and Mr. Oberle have not returned to the union meetings. The dissenters were finally cowed into silence. The freedom and democracy which § 411 was enacted to protect has been effectively destroyed in District 2 [of Local 18]. Id. at 6.

In Murphy v. Local 18, International Union of Operating Engineers, 99 LRRM 2074 (N.D. Ohio 1978), Judge Thomas Lambros, in an insightful and perceptive opinion which deserves to be read in its entirety, surveyed the illegal policies and practices of Local 18 and its officers and business agents, several of whom remain officers and business agents of Local 18. The following findings of fact are of particular relevance here:

> 43. In a drastic effort to compel dissidents of Local 18 to submit to hall group practices, rebel members have been threatend and subjected to assault and physical violence. Id. at 1086.
>
> ....
>
> 58. Since 1971 operating engineers have not been permitted to distribute any literature, political or otherwise, on union property. Id. at 2089-90 (footnotes omitted).
>
> ....
>
> 72. The inherent subjectivity of the [job] referral system has enabled the members of the incumbent administration to manipulate employment referrals in such a fashion as to benefit supporters and punish dissidents. This manipulation has been evidenced by the operation of the referral itself, and by the statements of various members of Local 18's Administration. Id. at 2098.
>
> 97. The evidence establishes the existence of a conspiracy between certain defendants to surpress [sic] the actions of... the dissident movement. The existence of such conspiracy has been manifested in various acts and statements of the defendants which include,

but are not limited to:

> a. The organized attempt to prevent the dissidents of District Two from addressing the membership at district meetings.
>
> b. The coordinated violence directed at plaintiff and other dissidents.
>
> c. Union financing of the defense of civil actions arising out of the above violence.
>
> ....
>
> f. The manipulation of the referral system as to favor hall group members and punish dissidents.
>
> g. The derogatory and often scatalogical comments directed toward dissidents by defendants. Id. at 2106.

Judge Thomas Lambros, in addition to awarding William F. Murphy compensatory and punitive damages, also granted the following injunctive relief on July 18, 1978:

> 4. In order to ensure against future misuse of the referral system, it is ordered that in every district of Local 18:
>
> ....
>
> c. Each district office shall compile a list of the work orders received each day and shall post said list for at least seven (7) consecutive days in a conspicuous manner in the district office, not less frequently than every one hundred twenty days....
>
> d. Immediately prior to, and immediately following each district meeting, the referral deck shall be available to members for inspection and copying for a reasonable period of time. Members shall be entitled to inspect and copy the cards of those engineers before and after their own referral card, but shall not be entitled to handle the deck themselves. Id. at 2135-36.

Local 18 made no effort to comply with this Order until after the plaintiff, William F. Murphy, filed a motion for contempt sanctions and the federal district court entered a Post-Judgment Memorandum Opinion and Order four years later on October 14, 1982.

It would be difficult to credit any claim that this pattern of misconduct and illegal activities extending over a decade is too dated to be of interest to this Committee. This is especially true because Local 18's present officers held positions of responsibility during this period. Thus, for example, Frank J. Miller, Business Manager of Local 18, has been an officer of Local 18 since 1968 and prior to becoming Business Manager was Vice-President of Local 18 since 1977. Prior to becoming Vice-President of Local 18, Steve J. Mayor served as Recording-Corresponding Secretary since 1976. He has been an officer of Local 18 since 1965. Paul Knott is the Financial Secretary of Local 18 and has held this office since 1976. He has been an officer of Local 18 since 1972. Jessee Buckle, the Treasurer, has held this position since 1978 and has been an officer of Local 18 since 1965. This history could be continued, but I believe the point has been made. Before this Committee credits any claim that "new union leadership" has corrected past abuses it should inquire as to what specific steps Local 18's officers took during the past decade to protest the illegal activities which have been documented here.

Moreover, contrary to Local 18's protestations it is clear that abuses continue to this very day. William F. Murphy was a duly nominated and qualified candidate to be a delegate from Local 18 to the 1984 International Convention. This election, held during the past month, was characterized by violations of Judge Lambros' Order in Murphy v. Local 18, supra. These violations and election abuses are detailed in Mr. Murphy's February 21, 1984 letter of protest to Frank J. Miller, Business Manager of Local 18, and Max M. Kendrick, Chariman of Election Committee of Local 18 (see attached).

They include the denial of the right to speak to Local 18 members, denial of the right to inspect union membership lists, and the frustration of the candidate's right to have an observer present to witness the mailing of ballots.

In addition, we believe that as recently as 1982 the officers and members of the Executive Board have repeatedly violated their fiduciary duties to Local 18 under § 501 of the Labor-Management Reporting and Disclosure Act. Although we have no right to discovery inasmuch as no lawsuit has been filed and Local 18 has volunteered little information, we nevertheless have significant evidence of improper and unlawful activities. These suspected financial abuses are outlined in the letter from Ervin A. Shimman to Frank J. Miller, Local 18 Business Manager, and Mr. Miller's response to that letter. (See attached). While the number of individuals and the exact amount involved may be unclear, it is undisputed that Local 18, contrary to its By-Laws and Article XXIV, Subdivision 7, continued to carry on its books and records numerous individuals who should have been suspended for non-payment of dues and thus obligated itself to the International for the per capita tax for these individuals. Furthermore, unless these individuals seek reinstatement Local 18 has no lawful means to recapture these funds. We believe that the improper carrying of these members has caused a loss to Local 18 in the neighborhood of $300,000. Frank J. Miller does not even claim membership approval for this action.

In addition, Local 18 made a political campaign contribution of $15,000 to Richard Celeste, Governor of the State of Ohio. This contribution is documented on page 138 of Richard Celeste's "pre-general election report," dated September 2, 1982, on file in the Ohio Secretary of State's office. While not violative of federal or state criminal law, we believe that this contribution was unlawful because it was not specifically authorized by the union membership. Although Mr. Shimman has requested copies of the minutes of union membership meetings, this request has not been honored. Other suspected instances of financial abuses are outlined in Mr. Shimman's letter to Frank J. Miller. Absent the right of discovery we have been unable to further document these matters at the present time.

Overall, the evidence presently available indicates a pattern and practice of improper and unlawful activities by Local 18 and its officers and agents of mammoth proportions.

III.

The most outrageous abuse of Local 18 and its officers and agents has thus far only been mentioned in passing. This abuse is the discriminatory manipulation of the union's employment referral system at the union's exclusive hiring hall in order to benefit in an unlawful manner favored union members and to injure disfavored union members and opponents of the incumbent administration. There can be no doubt that Local 18 has systematically practiced such referral discrimination for over a decade. Judge Thomas Lambros made such a finding of fact in Murphy v. Local 18, 99 LRRM 2074 (N.D. Ohio 1978):

> 72. The inherent subjectivity of the referral system has enabled the members of the incumbent administration to manipulate employment referrals in such a fashion as to benefit supporters and punish dissenters. This manipulation has been evidenced by the operation of the referral itself, and by the statements of various members of Local 18's Administration. Id. at 2098.
>
> 79. Business Representatives of District One [of Local 18] have manipulated the referral system in order to refer relatives to employment ahead of more experienced, better qualified engineers. Id. at 2099.
>
> 87a. From 1969 to date, Kenneth Delaney, a member of the District Two hall group, frequently witnessed District Two Business Agents manipulate the referral system in order to refer favored

> engineers to employement.
>
> b. Business Agent Harley Salisbury would pass over the cards of those engineers at the top of the referral deck until he came upon the card of a favored engineer. Salisbury would then dispatch the engineer of his choice and write "called and not at home" on the cards of the by-passed engineers.
>
> c. In a similar fashion Business Agent Robert Bowes would telephone the engineer at the top of the referral deck, let the phone ring once, hang up, write "called not at home" on the respective engineer's registration card, and then continue on in succession in the same fashion until coming upon the card of a favored engineer. Bowes would then dispatch such engineer.
>
> d. Business Agents would "back date" the registration cards of favored engineers in order to raise such engineers' referral priority.
>
> ....
>
> f. Business Representatives of District Two have manipulated the referral system in order to refer relatives to employment ahead of more experienced, better qualified engineers. Id. at 2103.
>
> 97. The evidence establishes the existence of a conspiracy between certain defendants to suppress the actions of plaintiff [Murphy] and the dissident movement. The existence of such conspiracy has been manifested in various acts and statements of the defendants which include but are not limited to:
>
> ....
>
> f. The manipulation of the referral system as to favor hall group members and punish dissidents. Id. at 2106.

The case of William Murphy is especially compelling. Although the average member of Local 18 works 1,200 - 1,400 hours per year, once Murphy became an opponent of the incumbent officers of Local 18 his referrals quickly dwindled. In 1971 he worked only 207.5 hours and he was not referred to a single job in 1972; in 1973 he worked only 85.5 hours. In 1974, 1975, 1976 and 1977 he was not referred at all. He worked only 4 hours in 1978 and not at all in 1979. Although it may be possible to argue about specific isolated events during this nine-year period it is clear that the chances of Mr. Murphy's work record (see attached) being the result of a fair operation of the referral system are no greater than the chances of being struck by Haley's Comet.

Glenn Oberle became a member of Local 18 in 1946 and at all times relevant here was fully qualified for the prestigious classification of master mechanic. Judge Thomas Lambros, in *Murphy v. Local 18, International Union of Operating Engineers*, 99 LRRM 2074 (N.D. Ohio 1978), made the following findings of fact concerning Mr. Oberle:

> 82a. In the 1971 state-wide election Oberle ran for Vice-President on the dissident slate against [John] Frank [then District Representative of District Two of Local 18].... *Id*. at 2101.
>
> 40. From 1971 until as recently as 1975[1] the meetings of District Two have been accented by the planned villication of rebels by members of the hall group....It is clear that this verbal harassment was intended to be, and functioned as an instrument of control. Specific instances of the tactic are discussed below:
>
> ....
>
> b. District Two meetings, June-August, 1971. Frank called Glenn Oberle,..., a "commie," and declared to the membership that any engineer supporting Oberle

---

[1] The trial in *Murphy* began on February 26, 1976. Thus no implied finding that such tactics are no longer being perpetrated can be fairly drawn from *Murphy*.

> would be thrown out of or starved out of the union.
>
> ....
>
> c. Election tally, District One offices, August, 1971. Frank denounced Oberle, and stated he would starve Oberle and the Shimman brothers out of the union.
>
> ....
>
> e. District Two meeting, October, 1971. Frank villified Oberle in scatalogical language because Oberle had been selected as master mechanic by the Braun Construction Company....
>
> f. District Two meeting, December, 1971.
>
> 1. Frank called Oberle a "fool" and stated "these small minds must be destroyed."
> 2. James Grothaus, an Executive Board member, accused Oberle of incest; Frank, presiding officer, concurred in these comments.
>
> ....
>
> 5. Apprentices were told by Ray Frankhouse how to vote on certain issues. Those voting contrary to instructions were told by Frankhouse, State Apprentice Coordinator, not to ask for help from thehall. Shortly after this meeting, Frank commented that apprentices were tantamount to slaves and should not oppose the union or they could be hurt. Id. at 2085.

Judge Lambros' Order documents Local 18's refusal to honor the Braun Company request for Oberle as master mechanic and a second request for a cherry picker job. Despite repeated efforts by Oberle to contact union officials he received no satisfaction. Thereafter Oberle filed charges with the NLRB which resolved the issue in his favor. "Despite the decision of the NLRB, Frank again refused to dispatch Oberle to the Braun job. Eventually, upon the advice of an NLRB attorney, Oberle reported to the Braun job without being dispatched by the District Two hiring hall." *Id.* at . As the two letters (attached) to NLRB officials from Cary Cooper, Oberle's attorney, attest, this matter was never wholly resolved in a satisfactory manner due to the defiance of Local 18 and the neglect of the NLRB.

For the next decade Oberle was the victim of retaliatory employment referral discrimination by Local 18 and its officers and agents (see attached complaint). During the first four months of 1973 Oberle earned $8,024.22 working on the Braun Company as a result of NLRB intervention. Thereafter for the last eight months of 1973 Oberle earned only 2,049.02 through Local 18's employment referral system. Remembering that Oberle's skills were much greater than the average Local 18 member and that the average Local 18 member worked approximately 30-35 weeks per year, Oberle's work record stands in marked contrast (see attached letter from Glenn Oberle):

YEAR	WEEKS WORKED
1974	21 weeks
1975	22½ weeks
1976	4½ weeks (Testified in *Murphy v. Local 18*)
1977	16½ weeks
1978	27 weeks
1979	25 weeks
1980	13½ weeks
1981	3 weeks
1982	7 weeks

Any attempt by Local 18 to relegate this data to the past should be given little credence in light of the fact that a substantial portion of the present leadership of Local 18 held union office during this entire period, *supra* at .

Furthermore, the case of James Nevitz illustrates that employment referral discrimination is a way of life at Local 18. Mr. Nevitz became romantically involved with the daughter of Steve J. Mayor, Vice-President of Local 18, during the summer of 1978. Prior to that time he had no prior work experience as an operating engineer. At the urging of Mr. Mayor James Nevitz promptly registered with the Local 18 hiring hall. Nevitz and Mayor's daughter were married on November 18, 1978 (see attached marriage record). Mr. Nevitz apparently received very favorable treatment under Local 18's employment referral system, working steadily beginning in June 1978. Unfortunately, Mr. Nevitz and his wife had marital difficulties and were separated in January 1981 and ultimately divorced (see attached divorce decree). Perhaps not coincidentally Mr. Nevitz was never referred for employment by Local 18 after March 1981. Overall, Mr. Nevitz's work and earnings records (see attached) show the following:

DATES	HOURS
Prior to 6/78	-0-
6/78 - 6/79	1,523.50
6/79 - 6/80	2.091.50
6/80 - 3/81	1,337.50
3/81 - Present	-0-

The economic effect on Mr. Nevitz is graphically revealed by his earnings record (see attached Social Security Earning Information):

CALENDAR YEAR	EARNINGS
1977	$3,003.21
1978	$13,924.63
1979	$20,775.88
1980	$24,649.05
1981	$5,527.34

It is also profitable to compare the work record of Mr. Nevitz, whose work card was registered in the "B" deck with the work records of Mr. Murphy and Mr. Oberle, whose work cards were registered in the priority "A" deck. In 1980 Mr. Nevitz worked 2,091.50 hours. Even though no one in the "B" deck is to be referred until the "A" deck is exhausted Mr. Murphy worked only 80 hours by referral and Mr. Oberle worked only 13½ weeks, or approximately 550 hours.[2]

---

[2] The comparison to Oberle may be somewhat inaccurate due to variance between service and calendar years. In any event, Oberle worked only 1,000 hours for all calendar year 1979.

Curiously, since Judge Thomas Lambrose entered his Order on October 14, 1982 requiring record-keeping of referral calls and posting of referral lists the normal operation of Local 18's hiring hall has changed dramatically. Prior to this Order most operating engineers were employed through Local 18's employment referral. In contrast, now virtually all employment of operating engineers is the result of specific requests by contractors, thereby bypassing the referral process. The attached letter from Ervin Shimman to my colleague Alan Miles Ruben dated December 26, 1983 that Ray Frankhouse, an officer of Local 18, told a retired operating engineer that "the only way a man can go to work now is by being requested." This is confirmed by the job referral list postings. The attached lists for June 1983 and January 1984 are illustrative. Although we have no specific evidence at this time, the danger inherent in the request method of employment is that "steering" by Local 18 officers of favored operating engineers is easily accomplished, very difficult to detect and almost impossible to remedy. Indeed, this is precisely the reason why Judge Lambros' Order (attached) specified:

> 2. No officer, business agent, employee, or other representative of [Local 18] shall, directly or indirectly, whether personally or through intermediaries, suggest, recommend, or otherwise designate to any employer or representative of an employer, that any individual or individuals be employed in any job subject to being filled through the aforesaid referral system. This provision shall in no way prohibit any representative of [Local 18] from, upon unsolicited request, giving his opinion of the abilities of any registrant based solely upon personal knowledge of registrant's work experience.
>
> 3. No officer, business agent, employee, or other representative of [Local 18] shall directly or indirectly, through others, recommend, suggest, or otherwise indicate to any employer, or representative of that employer, that any registrant not be requested or employed, or, if such registrant has been dispatched to work, that his employment be terminated.

IV.

Exclusive union employment referral systems serve an important societal function, especially in those trades where employment is normally seasonal or otherwise of limited duration. The union hiring hall facilitates employment for unemployed workers and provides a ready source of skilled labor for employers. Historically, the union hiring hall was a socially beneficial replacement for a system which was disorganized, inefficient and frequently corrupt. Union employment referral systems, however, also have an inherent potential for abuse, favortism and corruption. In Local 18, International Union of Operating Engineers, this potential for abuse and favortism has become a reality. There is evidence that these abuses are not limited to Local 18. *See, e.g.*, *Vandeventer v. Local Union No. 513, Internation Union of Operating Engineers*, 579 F.2d 1373 (8th Cir.), *cert. denied*, 439 U.S. 984 (1978); *Keene v. International Union of Operating Engineers*, 569 F.2d 1375 (5th Cir. 1978). Moreover, such employment referral discrimination, when it occurs, predictably often disadvantages blacks, women and other minorities disproportionately. *See* UNITED STATES CIVIL RIGHTS COMMISSION REPORT ON DISCRIMINATORY PRACTICES BY REFERRAL UNIONS (1976), quoted in A. SMITH, C. CRAVER & L. CLARK, EMPLOYMENT DISCRIMINATION LAW 743-46 (2d ed. 1982).

It is intolerable that no federal statute explicitly addresses itself to this problem of discriminatory administration of union employment referral systems. Neither the courts nor the relevant federal agencies have enunciated any consistent or coherent solution to this problem. Where abuses exist it is the union and its officers which perpetrate them. Employers accept such abuses silently because of ignorance, apathy or the fear of retaliatory union action. Simply stated, the union member has been abandoned and is friendless precisely when assistance is needed the most. Indeed, we cannot even rely on the union member who has been victimized by a discriminatory union referral system to speak on his own behalf.

Often the union member is unaware of the existence of such discrimination because it is practiced so subtly. More frequently, the union member is aware only that the discrimination exists and favors other members but is unable to identify who suffers. Even the union member who knows that it is he who is suffering faces a difficult and lengthy battle to prove the discrimination. It will be a rare and courageous individual who actually challenges the union leadership knowing that he is dependent upon their good will for future employment referrals, and may face years of unemployment while his case is pending in administrative agencies or the courts.

I would respectfully submit that federal legislation is necessary to correct the intolerable abuses which now exist. The right to fair and equitable employment referral opportunities is one of the most fundamental rights of working Americans. No longer can this basic human right remain at the mercy of the unregulated caprice of those who wold subvert union employment referral systems for personal gain or to perpetuate themselves in power. In addition to concern for the dignity and well-being of the union members wholly dependent upon the employment referral systems, legislation on this issue is necessary in order to make the promise of union democracy contained in the LMRDA a reality. No right of free speech or electoral participation within a union truly can exist where union officials wield the weapon of unfettered control over job referral opportunities. Legislative reform is essential for the protection of union democracy and working Americans.

Presently no effective federal legislation requires that union employment referral systems be operated openly and subject to the scrutiny of the union members who rely on such systems for their livelihoods. It is true that the United States Department of Labor, in § 110.320 of the LMRDA Interpretative Manual, has declared:

> All supplements which are incorporated by reference into a collective bargaining agreement become a part of it. Thus, where an agreement makes reference to a work referral system which the union is to administer, and further sets up terms, conditions and classifications of employees

> which the union is obliged to follow in referring applicants for jobs, the referral list is incorporated by reference into the basic agreement. Therefore, being a part of the basic working agreement, the referral list should be made available pursuant to section 104.

Unfortunately, this policy is inadequate to safeguard the rights of union members. Moreover, the only remedy presently available for breach of this limited right of inspection of referral lists is injunctive in nature. What is needed is a criminal statute, or perhaps privately enforceable civil penalty statute, which mandates the following:

1. The list of union members presently available for employment ("referral list") must be available for inspection by all union members at all times during normal business hours;
2. The public posting of all job orders, the date and time received by the union, the name of the individual referred to the job, the date the individual registered with the union, and the date and time of the referral;
3. The maintenance at the union hiring hall of a sufficient number of telephones specifically designated for referral use equipped with telephone recording devices in order to create a permanent record of job orders and referrals.
4. Record-keeping requirements to insure the maintenance of referral records for a reasonable period of time.

It is axiomatic that "sunshine is the best disinfectant." It is doubtful that employment referral discrimination could long survive if the process were to be made subject to continuous and ongoing scrutiny by those most directly affected by its operation.

The requirement that union employment referral systems be operated openly and subject to the scrutiny of union members will only be effective if it is coupled with an effective legislative prohibition on referral discrimination. Presently, no federal statute explicitly prohibits the discriminatory operation of union hiring halls. The Labor-Management Reporting and Disclosure Act, 29 USC § 411, et. seq., has been used to remedy referral discrimination in a few cases, but it is only applicable when the discrimination has been perpetrated with the wrongful intent to "discipline" a union member for exercising rights guaranteed under the LMRDA. See, e.g., Vandeventer v. Local Union No. 513, International Union of Operating Engineers, 579 F. 2d 1373 (8th Cir.), cert. denied, 439 U.S. 984 (1978); Keene v. International Union of Operating Engineers, Local 624, 569 F.2d 1375 (5th Cir. 1978); Cooke v. Orange Belt District Council of Painters No. 48, 529 F.2d 815 (9th Cir. 1976); Murphy v. Local Union 18, International Union of Operating Engineers, 99 LRRM 2074 (N.D. Ohio 1978). In other words, the LMRDA itself was not intended to prohibit employment referral discrimination but to guarantee certain rights to union members, such as free speech and electoral participation. Many victims of employment referral discrimination have no remedy under the LMRDA either because the union member is unable to prove the wrongful motivation of union officials or the causal connection to the exercise of LMRDA-protected rights. Neither does an adequate remedy exist under the duty of fair representation imposed upon unions by the National Labor Relations Act, 29 U.S.C. § 185, et. seq. See generally, Bastress, Application of a Constitutionally-Based Duty of Fair Representation to Union Hiring Halls, 82 W. Va. L. Rev. 31, wherein the author concluded that "[t]he [NLRB]'s efforts to deal with the abuses have not been adequate." Id. at 83. Moreover, the Act itself does not provide adequate remedies for union employment referral discrimination. Thus, as a general matter, it is unclear whether mere negligence is sufficient to constitute a NLRA violation or whether proof of bad faith is required. See, e.g., Note, Determining Standards for a Union's Duty of Fair Representation: The Case for Ordinary Negligence, 65 Cornell L. Rev 634 (1980). Moreover, the NLRA makes no provision for personal liability for wrongdoing union officials, no provision for punitive damages and no provision for the award of attorney fees to prevailing parties.

A federal statute which explicitly prohibits all employment referral discrimination by unions is urgently needed. To be effective such a statute must provide for the award of reasonable attorney fees to prevailing plaintiffs. Absent such a provision it is only conscientious law professors like Alan Miles Ruben and myself who will be financially able to undertake representation of union members who have been victimized by employment referral discrimination. It is significant that Alan Ruben has received no payment for services rendered since 1973 in the Murphy case and neither of us has received any payment for services rendered in the Oberle and Gradel cases since 1980. Under present federal statutes no attorney fees will ever be received unless a violation of the LMRDA or the federal civil rights act, 42 U.S.C. § 1985(3) is also established. The award of attorney fees under such a statute is justified by the same principles of justice and equity which have led to the award of such fees under the LMRDA. See Hall v. Cole, 412 U.S. 1 (1973).

In those cases where the union officials responsible for the operation of the employment referral system have acted with malice or reckless indifference to the right of the union member personal liability should be imposed on the officials and punitive damages should be awardable. Employment referral discrimination cases are particularly appropriate for punitive damages because such discrimination is often so subtle and easily concealed that many violations will inevitably escape detection. Given union members' dependency on the referral system and their natural hesitancy to sue their union many other violations will remain unremedied. Under these circumstances true deterrence of employment referral discrimination can only be achieved by the allowance of punitive damages. Again the analogy to the LMRDA is instructive. It is now generally agreed that punitive damages are awardable for violations of the LMRDA. See, e.g., Cooke v. Orange Belt District Council of Painters No. 48, 529 F. 2d 815 (9th Cir. 1976); Int'l. Brotherhood of Boilermakers v.

Braswell, 388 F.2d 193 (5th Cir.), cert. denied, 391 U.S. 935 (1968).

Finally, a statute prohibiting union employment referral discrimination should not require the exhaustion of intra-union procedures but instead merely timely and sufficient notice of claim to the union. Thereafter, unless the union favorably responds within a reasonable short period of time by awarding backpay compensation to the member access to the court should be immediately available. In an employment referral discrimination case time is of the essence to all parties. Unless the union member is able to secure swift relief long-term unemployment may follow. This is especially true, as is often the case, when the union removes the member's referral card from the deck pending resolution of the claim. For the union swift resolution is necessary to prevent the accummulation of a sizable backpay obligation. Simple justice requires that any limitation period on claims not begin to run until after discovery of the facts supporting the member's claim. On the other hand, fifteen days (but certainly not more than thirty days) would be an adequate time for a union response.

Recent events in Poland have reminded us in a vivid fashion that free and democratic unions are the backbone of a free and democratic nation. I hope that in America fair and equitable union employment referral systems, an essential element of free and democratic unions, can be achieved.

Thank you.

STATEMENT OF ERVIN SHIMMAN, MEMBER, LOCAL NO. 18, INTERNATIONAL UNION OF OPERATING ENGINEERS, TOLEDO, OHIO

The CHAIRMAN. Mr. Shimman, let us go to you first.

How long have you been a member of the International Union of Operating Engineers?

Mr. SHIMMAN. In July, it will be 38 years.

The CHAIRMAN. Have you been a member of local No. 18 throughout that period?

Mr. SHIMMAN. Yes, sir.

The CHAIRMAN. You have told my staff in interviews that you consider yourself a victim of an unfair referral system operated by the district manager of local No. 18 in Toledo. Do you have any documentation to back up that statement?

Mr. SHIMMAN. Yes. I appeared in the *Murphy* case before Judge Lambros, and I presented a lot of dates exactly when I was manipulated by referral, and Judge Lambros ordered in the case that there was manipulation as far as I was concerned that I had proved in the court on the referrals.

The CHAIRMAN. As I understand it, although you have been in the union for 38 years, you had only attained pension contributions of $12,845 as of July 1, 1983.

Mr. SHIMMAN. Yes, sir. As of today, I would guess a little over $13,000 in my pension benefits for 38 years. The job I am working on right today, there are members that have been in the union for 16 or 17 years and have twice and some three times the amount I got in my pension.

The CHAIRMAN. You mean, half the time you have in but yet have much more in the way of pension?

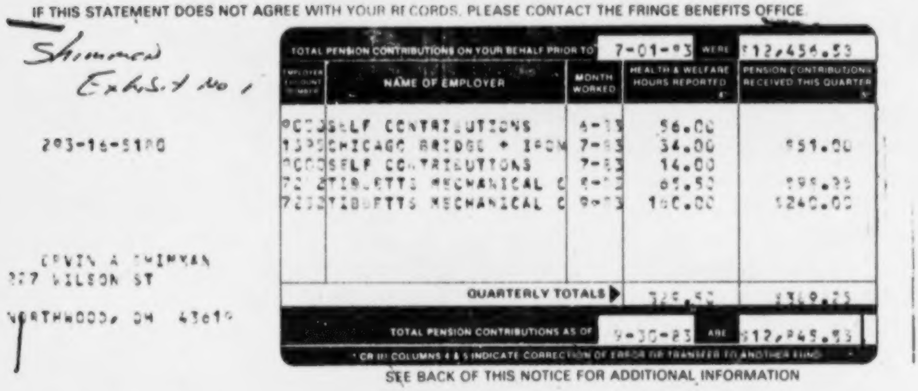
Mr. SHIMMAN. Yes, have over twice what I have in.

The CHAIRMAN. How would you classify yourself as an operating engineer: average, above average, below average?

Mr. SHIMMAN. I have been classed above average in the Federal court in Cleveland, because I operated about all the equipment. I mostly stay with the heavy cranes and that now, but I started out with bulldozers and loaders, and I have run about everything with the Operating Engineers.

The CHAIRMAN. Let me establish that one figure by entering your pension record as Shimman exhibit No. 1 into the record here for you.

[Shimman exhibit No. 1 follows:]



IF THIS STATEMENT DOES NOT AGREE WITH YOUR RECORDS, PLEASE CONTACT THE FRINGE BENEFITS OFFICE

Shimman Exhibit No 1

293-16-5180

ERVIN A SHIMMAN
[illegible] WILSON ST
NORTHWOOD, OH 43619

TOTAL PENSION CONTRIBUTIONS ON YOUR BEHALF PRIOR TO 7-01-83 WERE $12,456.53

EMPLOYER ACCOUNT NUMBER	NAME OF EMPLOYER	MONTH WORKED	HEALTH & WELFARE HOURS REPORTED	PENSION CONTRIBUTIONS RECEIVED THIS QUARTER
[illegible]	SELF CONTRIBUTIONS	6-83	56.00	
[illegible]	CHICAGO BRIDGE + IRON	7-83	34.00	$51.00
[illegible]	SELF CONTRIBUTIONS	7-83	14.00	
[illegible]	TIBBETTS MECHANICAL C	8-83	65.50	$98.25
[illegible]	TIBBETTS MECHANICAL C	9-83	160.00	$240.00
	QUARTERLY TOTALS		329.50	$389.25

TOTAL PENSION CONTRIBUTIONS AS OF 9-30-83 ARE $12,845.53

* CR IN COLUMNS 4 & 5 INDICATE CORRECTION OF ERROR OR TRANSFER TO ANOTHER FUND

SEE BACK OF THIS NOTICE FOR ADDITIONAL INFORMATION

The CHAIRMAN. How and when did you first aggravate the union leaders? You have indicated to my staff people that part of your problem has been that you have aggravated the union leaders.

Mr. SHIMMAN. Well, I aggravated them by just running for office. Since 1950, if you want to go back that far. What I did personally, we could not even get the bylaws of our union. We found out, when we did get the bylaws, we could get elections of officers.

The CHAIRMAN. You ran for office and that irritated them?

Mr. SHIMMAN. Back in 1950 this all started.

The CHAIRMAN. As I understand, in the late fifties you began to question these job referral violations and the union elections themselves; is that right?

Mr. SHIMMAN. Yes, sir.

The CHAIRMAN. According to what you told my staff, that got worse up until 1971, and that is when your brother John—what happened to him?

Mr. SHIMMAN. My brother, John, was beaten up in a union meeting. I was picked to be beaten up in the meeting. In 1971, my wife was home—she can verify this; she is here in the audience—I received a phone call from a business agent after working hours, which lasted about 2½ hours of nothing but threats of how he was going to get rid of me because I was a big thorn in the district No. 2 in Toledo and local No. 18 operations.

The CHAIRMAN. Did your brother sue these people who beat him up?

Mr. SHIMMAN. Yes, sir. My brother sued and collected for the wrongdoing the union did approximately $341,000 from the union and the defendants, the two Grothauses and John Frank the business agent for district 2, Toledo, Ohio.

The CHAIRMAN. Did they actually pay that money to your brother?

Mr. SHIMMAN. Yes, everybody has paid. John Frank is still paying $300 a month on his. He's had all the other money. The other money was paid.

The CHAIRMAN. How did you fare on job referrals after you became classified as a dissident or somebody who aggravated the union leadership? What happened?

Mr. **Shimman**. Well, I would not get referred. They would jump over me. In other words, bypass me. I would even have contractors I had worked for before would call my house and I would be out of work.

The **Chairman**. You are saying you were an above-average operator, you were classified as such, and yet people were continually jumped above you who were on the list?

Mr. **Shimman**. Yes, sir.

The **Chairman**. Let me enter into the record at this point what we will call Shimman exhibit No. 2, which is a list of the wages that you were paid from the year 1966 up to 1983. That gives some indication of some of the problems you were having.

[Shimman exhibit No. 2 follows:]

Simmons Exhibit #2

WAGES AFTER BEING IN LOCAL 18 38 YEARS.

1966	$ 11,719.77
1967	13,437.92
1968	10,502.63
1969	11,914.74
1970	8,584.13
1971	8,834.47
1972	16,854.88
1973	12,714.08
1974	10,057.39
1975	6,758.44
1976	5,542.48
1977	9,741.43
1978	7,812.27
1979	19,608.15
1980	14,721.81
1981	5,262.49
1982	25,118.53
1983	15,622.32

The CHAIRMAN. You say the system really has worked against you, but local No. 18 tells us that there is really no need to hold this hearing because the local is under court order to clean up its referral system. I understand you do not agree with that statement?

Mr. SHIMMAN. No, sir.

The CHAIRMAN. You do not consider the system ordered by the court to be foolproof, because it has taken you 13 years of litigation to get that court order; is that right?

Mr. SHIMMAN. That is right, sir.

The CHAIRMAN. And even though that court order may help you ultimately there in your area, that does not help the Operating Engineers throughout the country; that is one of your problems?

Mr. SHIMMAN. No. It would help the State of Ohio.

The CHAIRMAN. Professor Gard, why isn't it foolproof in his case?

Professor GARD. Sir, the operation of a referral system is an incredibly complex endeavor. There are within local No. 18 14,000 to 16,000 members. Each member is qualified to operate different kinds of machinery. Therefore, unless we have complete oversight of the union, the sheer complexity of the referral system makes it almost impossible to discover each individual abuse. As often as not, when an individual member discovers that he has been discriminated against, it is only because he has been able to fight it through contact with the contractors and so on and has been able to get the position, even though he has had to go to extraordinary lengths to do so.

Once we got the court order in the *Murphy* case prohibiting referral discrimination, if that is effective as against referrals, our experience is that the union shifts over to a request system, which is now open to extraordinary abuse.

The CHAIRMAN. I see. So they are alternating.

Professor GARD. They are alternating back and forth, yes.

The CHAIRMAN. One of the things Mr. Shimman raised with my investigator as an example was an attempt by what I think you called local No. 18 to run off Rollo Zoll. He was a master mechanic on the Tibitz Co. job at Lima, Ohio. Local No. 18, you claimed, has tried to discredit Zoll so that it could get its own man on the job and control the job.

Mr. SHIMMAN. Sir, could I elaborate on that?

The CHAIRMAN. Sure, go ahead.

Mr. SHIMMAN. On this Tibitz job, Rollo Zoll was sent down there as a cherrypicker operator last spring. The union, local No. 18, had another job before Rollo Zoll arrived on the job, so they named their master mechanic. Their master mechanic was Bob Hedges. Before this, before the pre job was ever had, almost 1 year before this started, Bob Hedges told people in the area that he was going to be the master mechanic on this job a year from now when it was going to start.

Rollo Zoll went there as a cherrypicker operator. Rollo Zoll worked there about 6 weeks or so, and they decided to make Rollo Zoll the master mechanic because they had heard a lot of friction about what the union would do. When they got their man in there as master mechanic, he controls all the operators coming to the job, and they wouldn't get qualified good operators. So they decided to make Rollo Zoll master mechanic. But before they did, they asked Rollo Zoll to request an operator through the union hall, but the contractor wanted Rollo Zoll to name them an operator.

Rollo Zoll named me. I went to the job, and it's a difficult thing to run. Anyway, I ran the crane and about a week later I think he was made master mechanic. The project manager, Tom Harris, made Rollo master mechanic because he said, "You get me capable men, and the job is yours. You will be master mechanic." Today we got, I guess, 15 or 16 operators. Tom Harris, the project manager, I talked to him before I come up here. He said, "I could use his name." He is glad he made Rollo Zoll master mechanic. He is glad he did go against the union agent and not name Bob Hedges as master mechanic.

The CHAIRMAN. Professor Gard referred to a letter you wrote to local 18's business manager, Frank Miller, on April 15, 1983, regarding what you called financial irregularities and breaches of fiduciary duty in the administration of local 18. We will enter that letter into the record as Shimman exhibit No. 3, without objection.

[Shimman exhibit No. 3 follows:]

Shimmard Exhibit No. 3

April 15, 1983

227 Wilson Street
Northwood, OH 43619

Mr. Frank J. Miller
Business Manager
Local Union No. 18
3515 Prospect Avenue
Cleveland, OH 44115

Dear Sir and Brother:

I bring to your attention for prompt corrective action the following financial irregularities and breaches of fiduciary duty in the administration of Local 18.

1. During 1982 and apparently for a considerable period of time prior thereto, some 2,000 individuals were improperly carried on the books and records of Local 18 as active members in good standing despite the fact that each of them had not paid their dues and were so seriously in arrears that they should, under the governing provisions of the Constitution and By-Laws, have been suspended from membership. These individuals were nevertheless reported to the International as members in good standing and no notice was given the International as to the true status of these individuals. The result was that Local 18 became obligated to pay to the International the required per capita tax for each of these individuals. The amount of such obligation reached some $300,000. In order to meet its obligation to the International, Local 18 was forced to borrow some $300,000 at a high rate of interest.

Each of the officers and members of the Executive Board of Local 18 had the responsibility by virtue of their offices and their attendant fiduciary duties to see to it that these individuals were suspended from membership and to notify that International Union so that no per capita tax obligation was incurred with respect to these individuals. Local 18 is entitled to recover back the money paid the International, together with the interest costs incurred, from the officers and members of the Executive Board who failed in their duty to suspend such individuals from membership and prevent Local 18 from incurring per capita tax liability to the International.

2. In the Fall of 1982, $15,000 was withdrawn from the general fund account and treasury of Local 18 and given to Richard Celeste, then a candidate for Governor of the State of Ohio, as a political campaign contribution. Such political campaign contribution was neither approved by or even reported to the Executive Board or the membership of Local 18 and was an unauthorized expenditure. Further it was made in violation of Federal and State law thereby subjecting Local 18 to potential liability.

The making of this political campaign contribution from Union funds was a breach of the fiduciary duty owed by the officers of Local 18. Local 18 is entitled to recover back this money from the officers who participated in the transaction and from those who knew about it but who did not take action to prevent the expenditures.

3. In the Fall of 1982, the title to a 1982 Cadillac automobile owned by Local 18 was transferred to Earl A. Erwin, without any consideration whatsoever being received by Local 18 and without any notice to or approval by the entire membership of Local 18 of the transaction.

Further, in 1980 or 1981 a Cadillac Seville automobile valued at approximately $35,000 owned by Local 18 was disposed of by then Business Manager Earl A. Erwin without authorization or unanimous approval of Local 18 membership that this property be disposed of, and without accounting to Local 18 for the proceeds of any sale thereof.

Further, from 1977 to 1982 six Cadillac automobiles owned by Local 18 were repeatedly and continually used by agents and officers of Local 18 for pleasure trips both in and outside the State of Ohio without any accounting being made to Local 18 for the wrongful personal use of the automobile or the expenses incurred.

These transfers and use of the property of Local 18 constitute a waste and conversion of Local 18 assets for private gain. Such transfers and use were unlawful and occurred with the knowledge, approval and participation of the officers and Executive Board of Local 18 in contravention of their fiduciary duties. Local 18 is entitled to recover the value of both the property transferred and the improper use of each property from the recipients and from the officers and Executive Board members who assisted in such transactions or who knew about them but took no action to prevent, terminate or remedy the practice.

4. During the years 1977 to 1982 Local 18 funds were improperly spent by Business Managers Frank J. Miller and Earl A. Erwin and other officers and business agents of Local 18 for personal pleasure trips to expensive lodges, resorts and hotels in Maryland, Florida, Alabama and other places. No accounting and reimbursement was ever made to Local 18 for expenses incurred during such personal pleasure trips. Local 18 is entitled to recover such expenditures from such individuals and from the officers and Executive Board members who knew about such transactions but took no action to prevent, terminate or remedy the practices.

5. During the years 1977 to 1982 former Business Manager Earl A. Erwin and other officers and agents of Local 18 expended great sums of money belonging to Local 18 for personal entertainment unnecessary to any proper and lawful purposes of Local 18. Such expenditures included Christmas parties and other functions. No reimbursement or accounting was ever made to Local 18 for such improper and unlawful expenditures. Large quantities of whiskey were purchased in 1981-1982 with Local 18 funds. The purchase of such whiskey was not related to the conduct of any lawful and proper business of Local 18 and constituted a waste of assets of Local 18.

Further, there has been repeated, continued and unsupervised use of credit cards issued on the account of Local 18 by Business Managers Earl A. Erwin and Frank J. Miller and other officers and agents of Local 18 for purely personal purposes. No accounting or reimbursement has been made to Local 18 for such expenditures.

Such expenditures were improper and unlawful and constituted a waste of the assets of Local 18 and a breach of fiduciary duty on the part of the officers and Executive Board members who engaged in them or who knew about them but did nothing to prevent or end the practice or remedy the loss to Local 18. Local 18 is entitled to recover such expenditures from the persons who made them and from the officers and Executive Board members who knew or should have known about such transactions but took no action to prevent, terminate or remedy the practice.

6. In a lawsuit filed by member Jack Shimman against Local 18 and its then officers and agents, Local 18 was obligated to pay several hundred thousand dollars in damages and counsel fees because of the tortious misconduct of its officers and agents. None of the officers and Executive Board members of Local 18 moved to obtain reimbursement for Local 18 from the individual agents and officers committing the wrongful conduct although they were at all times under a fiduciary duty to do so.

Local 18 is entitled to receive from the wrongdoers and from the officers and Executive Board members guilty of such non-feasance all sums expended in connection with this action.

7. In a lawsuit filed by William F. Murphy, the Federal District Court held that individual officers and agents of Local 18 had caused improper expenditures to be made by Local 18 and had violated Mr. Murphy's federal and state law rights. Business Managers Earl A. Erwin and Frank J. Miller and the other officers and Executive Board members were at all times under a fiduciary duty to Local 18 to recover for Local 18 or preserve Local 18's rights to recover all sums paid or payable by Local 18 as a result of the improper conduct of these individual officers and agents, but have failed to do so to the present date.

Local 18 is entitled to receive from the wrongdoers and from the officers and Executive Board members who failed to take action to recover for Local 18 all sums expended or for which Local 18 remains liable in connection with this action.

8. In addition to the lawsuits already referred to, several other members of Local 18 have filed lawsuits in the Federal District Court against Local 18 and its officers and agents. In each of these lawsuits it was alleged, and in the Murphy case it was found by the court, that officers and employees of Local 18 in their personal capacities had wilfully violated Federal labor law, the Civil Rights Act and various provisions of state law. These individual officers and employee defendants were represented in these lawsuits by attorneys

William Fadel and Bernard Baum. Mr. Fadel's and Mr. Baum's fees for defending these officers and employees were paid by Local 18 from the union's treasury. Business Managers Earl A. Erwin and Frank J. Miller and the other officers and Executive Board members authorized and acquiesced in the payment of such legal fees. Such payment was unlawful and made in breach of the fiduciary duties owed to Local 18 and its members by the officers and Executive Board members. No demand for repayment of the monies improperly paid to these attorneys has been made nor have the officers or Executive Board members responsible been called upon to reimburse Local 18 for the amount of such fees.

Further, Attorneys William Fadel and Bernard Baum while engaged in representing the individual officers and employees of Local 18 named in their individual capacities as defendants in the lawsuits referred to above, also simultaneously represented Local 18 as a defendant in these lawsuits despite the fact that there existed differing, conflicting and adverse interests between Local 18 and its individual officers and agents. In simultaneously representing both the union and the named officers, agents, and employees as defendants in these lawsuits, Attorneys Fadel and Baum breached their fiduciary duty owed to Local 18 in their capacities as attorneys, agents and representatives of Local 18.

Local 18 is entitled to recover all payments made by it to these attorneys, from Messrs. Fadel and Baum directly, and from the officers and Executive Board members who authorized such payments or who failed to prevent, terminate or take action to recover for Local 18 the amount of such payments.

As a result of the foregoing breaches of fiduciary duty I demand that you take the following action on behalf of Local 18:

1. With respect to all monies expended and indebtedness incurred by Local 18 to pay the Per Capita Tax to the International Union of Operating Engineers for individuals who should have been, but were not, suspended from the membership of Local 18 for non-payment of dues:

Institute appropriate legal proceedings to collect such monies from the officers and Executive Board members of Local 18 who failed to terminate the membership of such individuals and notify the International Union and who do not voluntarily restore to the treasury of Local 18 the amount of per capita tax paid by Local 18 by virtue of their breach of fiduciary duty.

2. With respect to all Local 18 funds expended for political campaign contributions:

Demand reimbursement of all monies wrongfully expended for political campaign contributions to the treasury of Local 18, and institute proceedings against the officers of Local 18 authorizing or acquiescing in such improper payments to recover such monies as are not voluntarily repaid.

3. With respect to all property, including passenger automobiles of Local 18, transferred or used by officers and employees of Local 18 for their personal use, benefit and purposes and an accounting of all sums spent on entertainment, liquor, Christmas parties and other functions by officers and employees of Local 18 out of the treasury of Local 18:

Demand restitution for all property belonging to Local 18 improperly transferred to or used by officers and employees of Local 18 for personal purposes and reimbursement for all expenditures made from the treasury of Local 18 improperly and in excessive amounts for parties, liquor and other entertainment and institute proceedings against the officers and Executive Board members of Local 18 authorizing or acquiescing in such transfer or use to recover such monies as are not voluntarily repaid.

4. With respect to all funds paid as legal fees to attorneys William Fadel and Bernard Baum for their representation of the individual officer defendants of Local 18 in the above-referenced lawsuits:

Demand and obtain repayment from Attorneys William Fadel and Bernard Baum of all legal fees paid to them for representation of the individual officer defendants in the above-mentioned lawsuits, and in default thereof, institute appropriate legal proceedings to recover such fees.

5. Institute proceedings for the removal of the officers and Executive Board members and other fiduciaries listed on page six of this letter from their positions of trust.

This letter constitutes notice pursuant to Section 501 of the Labor Management Reporting and Disclosure Act of 1959, 29 U.S.C. § 501 that unless you in your official capacity for and on behalf of Local 18 make demand upon and recover from all of the listed officers and fiduciaries of Local 18 all sums and property due Local 18 as a result of the breaches of fiduciary duty noted above, or in default of such recovery, institute appropriate legal proceedings to recover such property and sums on or before May 15, 1983, I will petition the Federal District Court to file an action to recover for Local 18 such property and sums.

Fraternally yours,

Ervin A. Shinman

OFFICERS

Frank J. Miller, Business Manager
Earl A. Erwin, former Business Manager
Steve J. Mayor, Vice President
Thomas G. Wilson, Recording-Correspondence Secretary
Paul Knott, Financial Secretary
Jesse Buckle, Treasurer
Ray Frankhouse, Trustee
Gordon Hartman, Trustee
Denis McCausland, Trustee
Johnie Jardine, Auditor
Dudley Snell, Auditor
James Gardner, Auditor
Ronald Sharpless, Conductor
Boyd Rader, Guard

EXECUTIVE BOARD

Thomas Ehrbar
Eugene Harris
Richard Wolfert
Lee Purdy
William Molnar
Keith Keller
Royce Conaway
Rolland N. Llewellyn
Daniel R. Quillen
William Baier
Walter Puckett
Ronald Bennett
Tom Louis
Ralph Williams
Larry Reynolds
Jack Mann
Charlie Miller
Ed Ring

The CHAIRMAN. Now, let me ask you if you think any of these alleged abuses have stopped in the 10½ months since you wrote that letter? You feel they have not stopped?

Mr. SHIMMAN. I feel they have not stopped.

The CHAIRMAN. Let us take them point by point. First, you reported that some 2,000 individuals have been improperly carried on the books as active members, despite their being seriously in arrears on their dues. Because of this arrearage, local 18 had to borrow some $300,000 to pay the International the received per-capita tax for each of these individuals. This is quite a different standard from the one we learned was in effect in Louisiana, where a dissident, Mr. Howard Taliaferro, was expelled from the union after getting behind in his dues for only 90 days. That is at a time when he had not worked for 15 months.

Did these 2,000 individuals constitute the entire membership of the local, or were only dissidents involved?

Mr. SHIMMAN. No, it was the same thing in the testimony here yesterday. Any dissident who gets behind in his dues is expelled immediately. This has been the history back in the 30 years I have been in the union.

The CHAIRMAN. How many members are there of that local?

Mr. SHIMMAN. Approximately 14,000.

The CHAIRMAN. And you are saying only 2,000 were treated this way?

Mr. SHIMMAN. The 2,000 they carried.

The CHAIRMAN. You are saying only 2,000 individuals were carried on the books as active members, even though they were seriously behind in their dues?

Mr. SHIMMAN. In other words, paying a per-capita tax.

The CHAIRMAN. What you are saying is, they raised the money to pay their per-capita tax but only for 2,000 people rather than 14,000?

Mr. SHIMMAN. Yes. In other words, the majority of the members pay their dues. The ones that get behind in their dues, if you are a dissident and get behind in your dues, you are expelled. If you are one of the hall people, which you call them, they would carry you on. In fact, 4 years ago, we had a man in Dayton who was 3 years behind in his dues and we were still carrying him on the records.

The CHAIRMAN. In fact, were dissidents expelled?

Mr. SHIMMAN. Yes, plenty of dissidents were expelled. A good example was, we had a man in Toledo, Robert Crofoot, who was expelled as soon as he got behind in his dues because he was a dissident. He was expelled in Toledo, and they said, "You got to go to Cleveland—that's our headquarters—and get reinstated there." He went to Cleveland and they said, "You got to go to Toledo; that's where you work out at. You don't come up here." In other words, they just gave the runaround, and finally Bob Crofoot gave up.

The CHAIRMAN. He never got back in?

Mr. SHIMMAN. No, he could not. He could not afford it. He said they were just giving him the runaround.

The CHAIRMAN. What you are saying is, there is preferential treatment for those who are not considered dissidents?

Mr. SHIMMAN. Definitely.

The CHAIRMAN. You told my staff that a $15,000 contribution to the 1982 gubernatorial campaign of Richard Celeste was unauthorized. I believe what you told them was that the executive board adopted that contribution and slipped it to the membership by failing to elaborate on what it was and getting a separate vote on it from the members.

Mr. SHIMMAN. Yes. We never had a separate vote at all on that, on that $15,000.

The CHAIRMAN. Is it true that they simply asked for ratification after overall actions of the executive board, and they never really got specific on what the money was for?

Mr. SHIMMAN. No action. It was: A certain date to a certain date, we want to approve the minutes of these meetings.

The CHAIRMAN. So you are saying, what they do is, they ask approval of the minutes in their entirety, without listing all of the board's actions at all?

Mr. SHIMMAN. Yes.

The CHAIRMAN. So you are saying, when the people voted, they really did not know what the $15,000 was for and they really did not know what they were doing?

Mr. SHIMMAN. Yes, sir. When they went in and voted, this was at a meeting, and they approved it.

The CHAIRMAN. They just approved the minutes.

Mr. SHIMMAN. Yes, and we never voted on this $15,000.

The CHAIRMAN. And you think that is wrong?

Mr. SHIMMAN. Yes, sir.

The CHAIRMAN. You stated to my staff that a 1982 Cadillac automobile was transferred to Earl Erwin, the outgoing business manager of local 18, without any notice to or approval by the membership of the union; is that correct?

Mr. SHIMMAN. I was at that meeting in Columbus when one of the paid business agents got up. Earl Erwin was giving up the business manager post, and this paid business agent got up and said, "I say we give Earl Erwin his Cadillac." They seconded it, and that was it.

The CHAIRMAN. This transfer is documented at page 9 of local 18's 1982 LM-2 report to the U.S. Department of Labor. The car's net book value was then placed at $20,281. So I will enter into the record at this point as Shimman exhibit No. 4 that annual report by the union.

[Shimman exhibit No. 4 follows:]

Shimmon Exhibit No. 4

U.S. Department of Labor
Office of Labor-Management
Standards Enforcement
Washington, D.C. 20216

Form approved
Office of Management & Budget
No. 1215-0001

LABOR ORGANIZATION ANNUAL REPORT
FORM LM-2

MUST BE USED BY LABOR ORGANIZATIONS WITH $100,000 OR MORE IN RECEIPTS AND LABOR ORGANIZATIONS WHICH ARE UNDER TRUSTEESHIP

Labor-Management Reporting and Disclosure Act of 1959, as amended
and
Title VII of the Civil Service Reform Act

READ THE INSTRUCTIONS CAREFULLY BEFORE PREPARING THIS REPORT. SUBMIT THIS REPORT IN DUPLICATE.

```
                                          039-040
~~EARL ERWIN~~                              53 1         1
ENGINEERS, OPERATING, AFL-CIO
LU     00018
3515 PROSPECT AVENUE                                1282
CLEVELAND                       OH   44115         L2 M
```

1. FILE NUMBER

2. Period covered

	MO	DAY	YR
From	1	01	82
Thru	12	31	82

3. CITY, COUNTY AND STATE WHERE CHARTERED TO OPERATE:
CITY Various COUNTY Various STATE Ohio

4. NAME OF LABOR ORGANIZATION (as shown on charter, constitution, etc.)
The International Union of Operating Engineers

5. AFFILIATION
AFL - CIO

6. DESIGNATION (Local, Lodge, etc.)
Local

7. DESIGNATION NUMBER
18

8. Are organization records kept at the official mailing address? ☒ Yes ☐ No
If "No," show address including ZIP Code in Item 22.

9. OFFICIAL MAILING ADDRESS
(In care of) NAME OF PERSON
Frank Miller ✓
NUMBER AND STREET
3515 Prospect Avenue
BLDG. AND ROOM NUMBER, IF ANY
CITY Cleveland STATE Ohio ZIP CODE 44115

DURING THE REPORTING PERIOD DID YOUR ORGANIZATION DIRECTLY OR INDIRECTLY:

		YES	NO
10.	Have any accounts in banks or other financial institutions held in a name other than that of your organization?	☐	☒
11.	Liquidate or reduce any liabilities without disbursement of cash?	☐	☒
12.	Create or participate in the administration of any business enterprises or other organizations which met the definition of a "subsidiary organization" as that term is defined in the instructions on page 2?	☐	☒
13.	Acquire any goods or property in any manner other than by purchase or dispose of any goods or property in any manner other than by sale?	☒	☐
14.	Create or participate in the administration of a trust or other fund or organization, a primary purpose of which is to provide benefits for members or their beneficiaries, as defined by Section 3(l) of the Act?	☒	☐
15.	Discover any loss or shortage of funds or other property?	☒	☐

(If the answer to any of the above questions is "Yes," provide details in Item 22. See specific instructions for items answered "Yes.")

16. A. Was the labor organization insured by a fidelity bond during the reporting period? ☒ Yes ☐ No
B. If "Yes," enter the maximum amount recoverable for loss caused by any person $ 425,000

17. Enter the date of your organization's next regular election of officers.
Month August Year 1984

AS OF THE END OF THE REPORTING PERIOD:

18. Were any assets pledged as security or encumbered in any other way? ☒ Yes ☐ No

19. Did your organization have any contingent liabilities? ☒ Yes ☐ No

(If the answer to Item 18 or 19 is "Yes," provide details in Item 22.)

20. Did your organization have any changes in its constitution and by-laws (other than changed dues amounts) or in practices described in statements submitted with Form LM-1 or Form LM-1A since your organization filed Form LM-1 or most recently updated it by filing a Form LM-1A? ☐ Yes ☒ No
If "Yes," attach an updated Form LM-1A to this report, with required documents.

21. List fees and dues required. (Complete each line. Enter "None" or "Not Applicable" as appropriate.)

	(A) If one rate applies, enter here	(B) If more than one rate applies, enter here	
(1) Initiation fee or fees required from new members	$	$ 20.00	$ 400.00
(2) Fees other than dues required from transfer members	$ N/A	$	$
(3) Are work permits issued? ☒ Yes ☐ No If "Yes," give fees required	$ per	$ 5.00 wk 7.00 + 1½% mo.	$ 10.00 wk 12 + 1½% mo.
(4) Regular dues or fees or other periodic payments required to remain a member of the reporting labor organization (per year, mo., etc.)	$ per	$ per	$ per

22. ADDITIONAL INFORMATION (If this is a terminal report, see Section XII of the instructions.)

5 APR 1983

Item Number	
Item 13	See Attached, Page 9 of 11
Item 14	See Attached, Page 9 of 11
Item 15	See Attached, Page 9 of 11
Item 18	See Attached, Page 9 of 11
Item 19	See Attached, Page 9 of 11

RECEIVED
JUL 13 1983
LMSA CLE...

(If more space is needed, attach additional sheets with further statement, properly identified.)

Each of the undersigned, duly authorized officers of the above labor organization, declares, under the applicable penalties of law,* that all of the information submitted in this report (including the information contained in any accompanying documents) has been examined by the signatory and is, to the best of the undersigned's knowledge and belief, true, correct and complete.

25. SIGNED ~~Vice~~ PRESIDENT (If other title, cross out and write in correct title above. Explain in Item 22.)
at Cleveland, Ohio on 3/ /83
City State Date
216-432-3131
Telephone Number (Include Area Code)

26. SIGNED TREASURER (If other title, cross out and write in correct title above. Explain in Item 22.)
at Columbus, Ohio on 3/ /83
City State Date
614-486-5281
Telephone Number (Include Area Code)

*See section on "Penalties" in accompanying instructions.

Form LM-2 (Rev. 1982) Page 1

COPY 3
Page 1 of 11

ENTER AMOUNTS IN DOLLARS ONLY

FILL OUT SCHEDULES 1 THROUGH 14 BEFORE FILLING OUT STATEMENTS A THROUGH C

STATEMENT A—ASSETS AND LIABILITIES

Item	ASSETS	FROM SCH #	Start of Reporting Period (A)	cts	End of Reporting Period (B)	cts
23.	(a) Cash on hand (Statement C, Line 1)		$ 1,700	XX	$ 32,948	XX
	(b) Cash in banks (Statement C, Line 2)		214,846	XX	644,781	XX
24.	Accounts Receivable			XX		XX
25.	Loans Receivable	1		XX		XX
26.	U.S. Treasury Securities			XX	293,595	XX
27.	Mortgage Investments			XX		XX
28.	Other Investments	2	5,556	XX	5,583	XX
29.	Fixed Assets	5	840,734	XX	717,039	XX
30.	Other Assets	3	160,926	XX	134,122	XX
31.	TOTAL ASSETS		$1,223,762	XX	$1,828,068	XX

Item	LIABILITIES	FROM SCH #	Start of Reporting Period (C)	cts	End of Reporting Period (D)	c
32.	Accounts Payable		$ 364,394	XX	$ —	
33.	Loans Payable	8		XX	458,333	
34.	Mortgages Payable			XX	—	
35.	Other Liabilities	6	7,645	XX	26,926	
36.	TOTAL LIABILITIES		$ 372,039	XX	$ 485,259	
	NET ASSETS					
37.	Net Assets (Item 31 less Item 36)		$ 851,723	XX	$1,342,809	

STATEMENT B—RECEIPTS AND DISBURSEMENTS

Item	CASH RECEIPTS	FROM SCH #	(A)	cts
38.	Dues		$4,577,786	XX
39.	Per Capita Tax			XX
40.	Fees		128,888	XX
41.	Fines			XX
42.	Assessments		49,056	XX
43.	Work Permits			XX
44.	On Behalf of Affiliates for Transmittal to Them			XX
45.	Sale of Supplies			XX
46.	Interest		6,683	XX
47.	Dividends			XX
48.	Rents		17,386	XX
49.	Loans Obtained	8	300,000	XX
50.	Sale of Investments and Fixed Assets	7	27,000	XX
51.	Repayment of Loans Made	1		XX
52.	From Members for Disbursement on Their Behalf		4,532	XX
53.	From Other Sources	13	21,916	XX
54.	TOTAL RECEIPTS (Items 38 through 53)		$5,133,247	XX

Item	CASH DISBURSEMENTS		FROM SCH #	(B)
55.	For Per Capita Tax			$ 624,618
56.	Fees, Fines, Assessments, etc.			
57.	To Affiliates of Funds Collected on Their Behalf			
58.	For Account of Affiliates			
59.	To Officers: (a) Gross	$ 716,383	9	
	(b) Less Deductions	231,614		484,769
60.	To Employees: (a) Gross	$ 1,103,139	10	
	(b) Less Deductions	358,746		744,393
61.	Office and Administrative Expense			210,781
62.	Educational and Publicity Expense			
63.	Professional Fees			169,377
64.	Benefits		11	648,172
65.	Loans Made		1	
66.	Contributions, Gifts and Grants		12	26,841
67.	Supplies for Resale			
68.	Purchase of Investments and Fixed Assets		6	347,923
69.	Direct Taxes			106,151
70.	Withholding Taxes			588,747
71.	On Behalf of Individual Members			
72.	Repayment of Loans Obtained		8	41,667
73.	For Other Purposes		14	680,625
74.	TOTAL DISBURSEMENTS (Items 55 through 73)			$4,672,064

STATEMENT C—CASH

Cash at Start of Reporting Period	(A)
1. Cash on Hand	$ 1,700
2. Cash in Banks (Checking Accounts and Other Deposits)	214,846
3. Total of Lines 1 and 2	216,546
4. Total Receipts from Line 54	5,133,247
5. Total of Lines 3 and 4	5,349,793
6. Total Disbursements from Line 74	4,672,064
7. Deduct Line 6 from Line 5	$ 677,729

Cash at End of Reporting Period	(B)
1. Cash on Hand	$ 32,948
2. Cash in Banks (Checking Accounts and Other Deposits)	644,781
3. Total of Lines 1 and 2	$ 677,729

If the amount entered in line 7, column (A) does not equal the amount entered in line 3, column (B), there is a discrepancy in your reporting. Correct the discrepancy or explain it in Item 22.

If more space is needed to list items in any of the schedules below, continue the list on additional sheets, using the same column headings used on the schedule, and enter the totals on the line provided for additional listings on the schedule.

SCHEDULE 1—LOANS RECEIVABLE

List below outstanding loans to officers, employees, or members which at any time during the reporting period exceeded $250 and list all loans, regardless of amount, made to business enterprises. (A)	Loans Outstanding at Start of the Period (B)	Loans Made During the Period (C)	Repayments Received During the Period: Cash (D)(1)	Repayments Received During the Period: Other Than Cash (D)(2)	Balance at the End of the Period (E)
1. (Name) (Purpose) (Security) (Terms of Repayment)	$	$	$	$	$
2. (Name) (Purpose) (Security) (Terms of Repayment)					
3. Totals from Additional Listings, if any.					
4. Totals of Loans not Listed above.					
5. Totals of Lines 1 through 4.	$ None	$ None	$ None	$ None	$ None
Enter the Totals from Line 5 in	Item 25, Column A.	Item 65	Item 51	Item 22 with Explanation	Item 25, Column B

SCHEDULE 2 - INVESTMENTS OTHER THAN U. S. TREASURY SECURITIES AND MORTGAGE INVESTMENTS

Line 6(d)

Partnership Investment	$ 4,791

SCHEDULE 3 - OTHER ASSETS

	Beginning Balance	Ending Balance
Prepaid Insurance	$ 7,189	$ 1,690
Miscellaneous Receivable	-	4,457
Premium Stabilization Fund	113,652	92,421
Life Insurance Reserve	40,085	35,554
	$160,926	
Total to Line 6 - Schedule 3		$134,122

CAL 18 - INTERNATIONAL UNION OF OPERATING ENGINEERS FILE NO. 039-040

RM LM-2 YEAR 1982

SCHEDULE 5 - FIXED ASSETS

				ASSETS				RESERVES			
Kind of Property	Date Acquired	Method /	Rate	Balance a Beginning of Year	litions uring Year	Retired During Year	Balance at End of Year	Balance at Beginning of Year	Depreciation This Year	Adjustments During Year	Balance at End of Year
nd											
District 1 - Cleveland	1954-1958	-	-	$ 155,34	-	$ -	$ 155,348	$ -	$ -	$ -	$ -
District 2 - Toledo	1958	-	-	34,30	-	-	34,301	-	-	-	-
District 3 - Columbus	1955	-	-	19,83	-	-	19,839	-	-	-	-
District 4 - Dayton	1960/1976	-	-	75,38	-	-	75,384	-	-	-	-
District 5 - Cincinnati	1960/1961	-	-	75,43	-	-	75,430	-	-	-	-
District 6 - Akron	1956	-	-	9,39	-	-	9,399	-	-	-	-
				369,70	-	-	369,701	-	-	-	-
ldings											
District 1 - Cleveland	1954-1978	SL	10/30 Yrs.	517,98	-	-	517,984	444,238	18,134	-	462,372
District 2 - Toledo	1958-1978	SL	10/30 Yrs.	119,93	-	-	119,933	88,714	4,182	-	92,896
District 3 - Columbus	1955-1977	SL	10/30 Yrs.	89,62	-	-	89,620	69,445	3,150	-	72,595
District 4 - Dayton	1960-1981	SL	10/30 Yrs.	108,09	-	-	108,097	70,808	4,124	-	74,932
District 5 - Cincinnati	1961-1962	SL	30 Yrs.	168,46	-	-	168,462	112,308	5,615	-	117,923
District 6 - Akron	1956-1980	SL	10/30 Yrs.	151,77	-	-	151,770	117,807	5,272	-	123,079
				1,155,86	-	-	1,155,866	903,320	40,477	-	963,797
omotive Equipment											
Automobiles	1977-1982	SL	3 Yrs.	374,96	69,646	169,342	275,271	205,002	92,053	104,831	192,224
Communications Equipment	1979	SL	10 Yrs.	5,90	-	-	5,908	1,674	-	-	1,674
				380,87	69,646	169,342	281,179	206,676	92,053	104,831	193,898
niture and Fixtures											
Furniture and Fixtures	Various	SL	10 Yrs.	228,28	515	787	228,008	183,993	14,287	787	197,493
Communications Equipment	Various	Fully Depreciated		99,69	-	-	99,693	99,693	-	-	99,693
Office Equipment - Capital Leases	1982	Amortized Over Lease Period		-	19,928	-	19,928	-	2,455	-	2,455
				327,97	20,443	787	347,629	283,686	16,742	787	299,641
				$2,236,41	90,089	$170,129	$2,154,372	$1,393,682	$149,272	$105,618	$1,457,336

LOCAL 18 - INTERNATIONAL UNI. OF OPERATING ENGINEERS | FILE NO. 039-060

FORM LM-2 | YEAR 1982

SCHEDULE 9

Name (A)	Title (B)	Status (C)	Gross Salary (D)	Allowances (E)	Other Direct and Indirect Disbursements		Total (H)
					Expenses Including Reimbursed Expenses (F)	Other Disbursements (G)	
Officers							
Earl Erwin	Business Manager	P	$ 32,054	$ -	$ 23,630	$ -	$ 55,684*
Frank Miller	Vice President	P					
	Business Manager	M	41,810	-	17,408	-	59,218
William Christian	President	C	43,869	-	9,572	--	53,441
Steve Mayor	Recording Sec'y.	P					
	Vice President	M	39,230	-	12,095	-	51,325
Tom Wilson	Trustee	P					
	Recording Sec'y.	M	39,226	-	9,409	-	48,635
Paul Knott	Financial Sec'y.	C	39,229	-	6,170	-	45,399
Jesse Buckle	Treasurer	C	39,228	-	6,332	-	45,560
Raymond Frankhouse	Trustee	C	39,231	-	9,446	-	48,677
Gordon Hartman	Trustee	C	36,628	-	5,029	-	41,657
Denis McCausland	Trustee	C	39,223	-	6,201	-	45,424
Johnie Jardine	Auditor	C	36,623	-	9,180	-	45,803
Dudley Snell	Auditor	C	36,630	-	5,125	-	41,755
James Gardner	Conductor	P					
	Auditor	M	36,630	-	3,461	-	40,091
Ron Sharpless	Guard	P					
	Conductor	M	36,623	-	5,001	-	41,624
Boyd Rader	Guard	C	36,623	-	5,144	-	41,767
Executive Board							
Thomas Ehrber	Executive Board	C	-	525	-	-	525
Eugene Harris	" "	C	-	450	-	-	450
Richard Wolfert	" "	C	-	525	-	-	525
Keith Keller	" "	C	-	525	-	-	525
William Molnar	" "	C	-	375	-	-	375
Lee Purdy	" "	C	-	525	-	-	525
Royce Conway	" "	C	-	525	-	-	525
Roland Llewellyn	" "	C	-	525	-	-	525
Daniel Quillen	" "	C	-	375	-	-	375
William Baier	" "	C	-	375	-	-	375
Robert Bonnett	" "	C	-	450	-	-	450
Walter Puckett	" "	C	-	525	-	-	525
Tom Louis	" "	C	-	525	-	-	525
Larry Reynolds	" "	C	-	300	-	-	300
Ralph Williams	" "	C	-	450	-	-	450
Jack Hann	" "	C	-	300	-	-	300
Charles Hiller	" "	C	-	525	-	-	525
Edgar Ring	" "	C	-	525	-	-	525
Totals To Line 11 - Schedule 9			$572,855	$ 8,325	$135,203	$ -	$716,383

* See Item 22, Explanation to

LOCAL 18 - INTERNA AL UNION OF OPERATING ENGINEERS FILE NO. 03[illegible]-040

FORM LM-2 YEAR 1982

SCHEDULE 10

Name (A)	Position (B)	Name of Affiliated Organization (C)	Gross Salary (D)	Allowances (E)	Other Direct and Indirect Disbursements: Expenses Including Reimbursed Expenses (F)	Other Direct and Indirect Disbursements: Other Disbursements (G)	Total (H)
Employees							
P. Everett	Business Agent	-	$ 37,030	$ -	$ 5,127	$ -	$ 42,157
O. Felton	" "	-	36,630	-	4,408	-	41,038
J. Ginley	" "	-	36,630	-	6,431	-	43,061
D. Moore	" "	-	22,379	-	3,751	-	26,130
R. Lupi	" "	-	21,407	-	4,106	-	25,513
F. Hobman	" "	-	36,626	-	4,633	-	41,259
J. [illegible]	" "	-	37,314	-	4,540	-	41,854
G. Tack	" "	-	22,380	-	3,329	-	25,709
D. Ramey	" "	-	36,629	-	6,345	-	42,974
J. Tutman	" "	-	36,623	-	10,193	-	46,816
L. Miller	" "	-	21,608	-	3,809	-	25,417
R. Mihalovich	" "	-	36,623	-	5,499	-	42,122
B. Collins	" "	-	36,623	-	6,413	-	43,036
R. Hyland	" "	-	21,680	-	3,156	-	24,836
W. Dold	" "	-	36,624	-	7,182	-	43,806
M. Spry	" "	-	36,624	-	7,285	-	43,909
R. Berger	" "	-	21,681	-	5,671	-	27,352
C. Gregory	" "	-	21,680	-	4,997	-	26,677
W. Dye	" "	-	36,623	-	4,208	-	40,831
E. McVean	" "	-	36,623	-	5,244	-	41,867
D. Lymbatis	" "	-	16,694	-	3,473	-	20,167
P. Coates	Office Manager	-	21,828	-	363	-	22,191
B. Finley	Office	-	15,761	-	-	-	15,761
S. Hacker	"	-	15,380	-	-	-	15,380
K. Miller	"	-	12,989	-	-	-	12,989
S. Marlette	"	-	12,988	-	-	-	12,988
J. Baizel	"	-	10,345	-	-	-	10,345
C. Doinidis	"	-	12,844	-	-	-	12,844
L. Jablowka	"	-	13,054	-	-	-	13,054
G. Dmytriw	"	-	12,629	-	-	-	12,629
S. Frantz	"	-	13,514	-	-	-	13,514
R. Johnson	"	-	12,987	-	-	-	12,987
A. Dye	"	-	12,987	-	-	-	12,987
W. McIlvain	"	-	12,984	-	-	-	12,984
N. Lamm	"	-	12,984	-	-	-	12,984
L. Lauer	"	-	12,985	-	-	-	12,985
O. Shinkle	"	-	12,985	-	-	-	12,985
B. Swaebly	"	-	12,988	-	-	-	12,988
D. Kovacs	"	-	12,988	-	-	-	12,988
V. Maslanka	"	-	15,525	-	-	-	15,525
Others - Under $10,000.00		-	77,036	-	520	-	77,356
Totals to Line 8 - Schedule 10			$992,312	$ -	$110,681	$ -	$1,102,993

LOCAL 18 - INTERNATIONAL UNION OF OPERATING ENGINEERS FILE NO. 039-040

FORM LM-2 YEAR 1982

SCHEDULE 11 - BENEFITS

Type of Benefit	To Whom Paid	Amount
Group Life Insurance	Aetna Life & Casualty	$150,819
Employee and Board Member Life Insurance	Aetna Life & Casualty	4,884
Health and Welfare Plan	Ohio Operating Engineers Fringe Benefit Program	94,911
Local 18 - Pension Fund	Ohio Operating Engineers Fringe Benefit Program	207,331
General Pension Fund	International Union of Operating Engineers General Pension Fund Plan	147,859
Central Pension Fund	Central Pension Fund, I.U.O.E.	42,368
Total to Schedule 11, Line 11		$648,172

LOCAL 18 - INTERNATIONAL UNION OF OPERATING ENGINEERS FILE NO. 039-040

FORM LM-2 YEAR 1982

SCHEDULE 14 - OTHER DISBURSEMENTS

Dues Refunded	$ 4,425
Service Dues Books Purchased	8,750
Local Newspaper Expense	77,636
Industrial Insurance and Bonding	2,652
Interest Expense	35,418
Building Occupancy Expenses	121,170
Meeting Rental and Expenses	7,387
Safety Expenses	4,376
Rental Expenses	19,324
Accounts Payable for Per Capita Tax	364,394
Miscellaneous Receivables	4,457
Prepaid Expenses	1,690
Garage Supplies	28,194
Transportation Insurance	752
Total to Schedule 14, Line 11	$680,625

ITEM 22 - PAGE 1 - ADDITIONAL INFORMATION

Item 13. An automobile with a net book value of $20,281 was given to Mr. Earl Erwin, Business-Manager, upon his resignation. The Local issued IRS Form 1099 to Mr. Erwin.

Item 14. Ohio Operating Engineers Health & Welfare Plan (File No. 147326) - to provide members and their dependents with health and accident and term life insurance.

Ohio Operating Engineers Pension Fund (File No. 191011) - to provide pension benefits to members.

Apprenticeship Fund and Safety Training and Educational Trust Fund to provide training and education for members.

Item 15. Fully depreciated sound equipment and a safe were stolen during a burglary of the Local's premises in August, 1982. The Local replaced this equipment in 1982. Insurance proceeds of $2,019.20 were recovered in January 1983.

Item 18. Equipment in the amount of $26,666 was purchased from various suppliers on an installment plan purchase. The assets purchased are encumbered in favor of the suppliers until full payment of the installment notes.

Item 19. Local 18 is a defendant in litigation currently pending in various courts of law. In one case, a decision adverse to the Local was reached by a U. S. District Court in the approximate amount of $175,000, which matter is currently on appeal.

Union management and counsel are unable to definitively assess the exact amount of possible liability to the Local on all pending cases.

ENTER AMOUNTS IN DOLLARS ONLY

SCHEDULE 2—INVESTMENTS OTHER THAN U.S. TREASURY SECURITIES AND MORTGAGE INVESTMENTS

Description (A)	Amount (B)
Marketable Securities:	
1. Total Cost	$ 500
2. Total Book Value	792
3. Itemize each Marketable Security holding which is valued at over $1000 and which is also greater than 20% of the amount given in Line 2.	
(a)	
(b)	
(c)	
(d)	
Other Investments:	
4. Total Cost	4,791
5. Total Book Value	4,791
6. Itemize each Other Investment holding which is valued at over $1000 and which is also greater than 20% of the amount given in Line 5. Also itemize each subsidiary for which separate reports are attached.	
(a) See Attached Schedule	
(b)	
(c)	
(d) Total from Additional Listings, if any	
7. Total of Lines 2 and 5.	$ 5,583
Enter the Total from Line 7 in	Item 28, Column B

SCHEDULE 3—OTHER ASSETS

Description (A)	Book Value (B)
1.	$
2. See Attached Schedule	
3.	
4.	
5. Total from Additional Listings, if any	
6. Total of Lines 1 through 5.	$ 134,122
Enter the Total of Line 6 in	Item 30, Column

SCHEDULE 4—OTHER LIABILITIES

Description (A)	Amount at End of Period (B)
1. Payroll Withholdings	$ 9,258
2. Capital Leases	17,668
3.	
4.	
5.	
6.	
7.	
8. Total from Additional Listings, if any	
9. Total of Lines 1 through 8.	$ 26,926
Enter the Total from Line 9 in	Item 35, Column

SCHEDULE 5—FIXED ASSETS

Description (A) See Attached	Cost or Other Basis (B)	Total Depreciation (if any) or Amount Expensed (C)	Book Value (D)	Fair Market Value (E)
1. Land (Give Location):	$ 369,701		$ 369,701	$
2. Totals from Additional Listings, if any				
3. Buildings (Give Location): –	1,155,866	$ 943,797	212,069	
4. Totals from Additional Listings, if any				
5. Automotive Equipment	281,179	193,898	87,281	
6. Office Furniture and Equipment	347,629	299,641	47,988	
7. Other Fixed Assets				
8. Totals of Lines 1 through 7.	$ 2,154,375	$ 1,437,336	$ 717,039	$
Enter the Total from Line 8, column D in			Item 29, Column B	

SCHEDULE 6—PURCHASE OF INVESTMENTS AND FIXED ASSETS

Description of Assets (If land or buildings, give location) (A)	Cost (B)	Book Value (C)	Cash Paid (D)
1. Automobiles –	$ 69,646	$ 69,646	$ 51,570
2. Furniture and Fixtures	515	515	515
3. Capital Leases	19,928	19,928	2,243
4. Certificates of Deposit and U.S. Treasury Bills	293,595	293,595	293,595
5. Totals from Additional Listings, if any			
6. Totals of Lines 1 through 5.	$ 383,684	$ 383,684	$ 347,923
Enter the Total from Line 6, Column D in			Item 53

7. Assets Traded in on Assets Purchased:

Description of Asset Traded in (A)	Cost (B)	Book Value (C)	Trade-in Allowance (D)
(a) Automobiles	$ 60,858	$ 18,076	$ 18,076
(b)			

SCHEDULE 7—SALE OF INVESTMENTS AND FIXED ASSETS

Description of Assets Sold (If land or building, give location) (A)	Cost (B)	Book Value (C)	Gross Sales Price (D)	Amount Received (E)
1. Automobiles	$ 81,444	$ 26,054	$ 27,000	$ 27,000
2.				
3.				
4. Total from Additional Listings, if any				
5. Totals of Lines 1 through 4.	$ 81,444	$ 26,054	$ 27,000	$ 27,000
Enter the Total from Line 5, Column E in				Item 50

SCHEDULE 8—LOANS PAYABLE

Source of Loans Payable at any Time During the Reporting Period (A)	Terms for Repayment (B)	Balance at Start of Period (C)	Loans Obtained During Period (D)	Repayment of Loans During Period		Balance at End of Period (F)
				Cash (E)(1)	Other Than Cash (E)(2)	
1. Bank One of Columbus	8,333.33 per month plus interest at 1/2% over prime.	–	$ 500,000	$ 41,667	$ –	$ 458,333
2.						
3.						
4.						
5. Total from Additional Listings, if any						
6. Totals of Lines 1 through 5		$	$ 500,000	$ 41,667	$ –	$ 458,333
Enter the Totals from Line 6 in		Item 12, Column C	Item 49	Item 72	Item 22 with Explanation	Item 11, Column D

ENTER AMOUNTS IN DOLLARS ONLY

SCHEDULE 9—LIST OF ALL OFFICERS AND DISBURSEMENTS TO OFFICERS

Name (Important: List all persons who held office during the period) (A)	Title (B)	Status (C)	Gross Salary (before taxes and other deductions) (D)	Allowances (E)	Other Direct and Indirect Disbursements: Expenses Including Reimbursed Expenses (F)	Other Direct and Indirect Disbursements: Other Disbursements (G)	Total (H)
1. See Attached			$	$	$	$	$
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10. Total from Additional Listings, if any.							
11. Totals of Lines 1 through 10.			$ 572,855	$ 8,325	$ 135,203	$	$ 716,383

Code for Column C, "Status": past officer—P; continuing officer—C; new officer during this reporting period—N.

Enter the Total of Line 11, Column H in .... Item 59(a)

NOTE: If any officer was not elected at a regular election in accordance with the constitution and bylaws, explain in Item 22.

SCHEDULE 10—DISBURSEMENTS TO EMPLOYEES

List below all employees who received more than $10,000 in gross salary, allowances, and other direct and indirect disbursements from this labor organization and any affiliate. (A)	Position (B)	Name of Affiliated Organization (if applicable) (C)	Gross Salary (before taxes and other deductions) (D)	Allowances (E)	Other Direct and Indirect Disbursements: Expenses Including Reimbursed Expenses (F)	Other Direct and Indirect Disbursements: Other Disbursements (G)	Total (H)
1.			$	$	$	$	$
2. See Attached							
3.							
4.							
5.							
6. Total from Additional Listings, if any							
7. Total for all employees who, during the reporting period, received $10,000 or less gross salary, allowances, and other direct and indirect disbursements.							
8. Totals of Lines 1 through 7.			$ 992,512	$ -	$ 110,681	$ -	$ 1,103,193

Enter the Total of Line 8, Column H in .... Item 60(a)

SCHEDULE 11—BENEFITS

Type of Benefit (A)	To Whom Paid (B)	Amount (C)
1.		$
2. See Attached		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10. Total from Additional Listings, if any		
11. Total of Lines 1 through 10.		$ 648,172

Enter the Total from Line 11 in .... Item 64

SCHEDULE 12—CONTRIBUTIONS, GIFTS AND GRANTS

Type (A)	Amount (B)
1. Gifts to Retirees	$ 338
2. Donations	17,117
3. Benefits and Memorials	9,386
4.	
5. Auto given to Retiree - See	
6. Item #13 - Page 9. Did not	
7. require a cash disbursement	
8.	
9.	
10. Total from Additional Listings, if any	
11. Total of Lines 1 through 10.	$ 26,841

Enter the Total from Line 11 in .... Item 66

SCHEDULE 13—OTHER RECEIPTS

Other Sources (A)	Amount (B)
1. Reimbursements from Other	$
2. Locals	21,916
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10. Total from Additional Listings, if any	
11. Total of Lines 1 through 10.	$ 21,916

Enter the Total from Line 11 in .... Item 53

SCHEDULE 14—OTHER DISBURSEMENTS

Other Purposes (A)	Amount (B)
1. See Attached Schedule	$
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10. Total from Additional Listings, if any	
11. Total of Lines 1 through 10.	$ 680,625

Enter the Total from Line 11 in .... Item 73

The CHAIRMAN. In what manner was this expenditure approved?

Mr. SHIMMAN. The same way. It was never brought before the membership.

The CHAIRMAN. They just slipped it by in the minutes of the board.

Mr. SHIMMAN. At the meeting, they approved the minutes, and that is it.

The CHAIRMAN. In other words, most people just raise their hand to approve the minutes as a perfunctory gesture. It is something that just automatically occurred.

Mr. SHIMMAN. When you go to a meeting, the meeting is 95 percent of the people who are for the people in office.

The CHAIRMAN. You stated to us that in your brother Jack's lawsuit against local 18 and its then agents, local 18 was obligated to pay several hundred thousand dollars in damages and counsel fees because of the illegal conduct of its officers and agents?

Mr. SHIMMAN. Wrongdoing.

The CHAIRMAN. Wrongdoing. Yet, none of the officers and executive board members of local 18 moved to obtain reimbursement for local 18 from the individual agents and officers committing the wrongful conduct——

Mr. SHIMMAN. That is correct, sir.

The CHAIRMAN [continuing]. Although they were at all times under a fiduciary duty to do so. Has such action to recover the money from the wrongdoers ever been instituted since you wrote your letter last April?

Mr. SHIMMAN. Never has. We have questioned it, and it never has.

The CHAIRMAN. You alleged a conflict of interest to us in that attorneys William Fadel and Bernard Baum represented individual officers and employees named in various lawsuits, while simultaneously representing the union as a whole. Do you feel that this conflict still exists?

Mr. SHIMMAN. I do. William Fadel is on the staff of local 18. When they read off the staff officers, they read William Fadel's name as attorney.

The CHAIRMAN. Do you know of any other current abuses or recent abuses of power in local 18 that the committee should know about, that you would like us to know about?

Mr. SHIMMAN. When I was back on the executive board—I do not know if they continue it up to this year or whatever—they used to have hunting parties. I knew that. They would come up and send so many people away on hunting trips and that, local officers. The members never knew about this.

The CHAIRMAN. And the members paid for it?

Mr. SHIMMAN. Oh, yes, sir. It would come out of the treasury of the union. And they had different parties that I was told about that the membership paid for.

STATEMENT OF WILLIAM F. MURPHY, MEMBER, LOCAL 18, INTERNATIONAL UNION OF OPERATING ENGINEERS, ORWELL, OHIO

The CHAIRMAN. As I understand it, you joined local 18 in Cleveland in November 1964; is that correct?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. Was there a group of dissident members of local union 18 known as the Rebels?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. Did you affiliate yourself with this group, and if so, when was that?

Mr. MURPHY. In 1969 and 1970.

The CHAIRMAN. Between 1965, say, and 1969, did you work out of the union hall on a regular or steady basis, considering the weather and job availability?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. You did not have any problems working out of the hall then?

Mr. MURPHY. No, sir.

The CHAIRMAN. Why did you begin to identify with this dissident group called the Rebels in 1969?

Mr. MURPHY. I felt that they felt more toward the best interest of the members of local 18.

The CHAIRMAN. You were also pretty dissatisfied with the contractors, were you not?

Mr. MURPHY. Yes.

The CHAIRMAN. Why?

Mr. MURPHY. Some contractors could break all the working rules, and others they held them right to the line on the rules.

The CHAIRMAN. So you started to complain about this?

Mr. MURPHY. Yes.

The CHAIRMAN. I guess by 1970, you indicated to us that you were fully involved with the so-called Rebels?

Mr. MURPHY. That is right, sir.

The CHAIRMAN. What, in particular, identified you with them?

Mr. MURPHY. I picketed the union hall in May 1970.

The CHAIRMAN. Why did you do that?

Mr. MURPHY. I asked questions about the contract and we were told—Well, there are ladies here. The wording is in the paper that you have.

The CHAIRMAN. How did the union officials react to the complaints that you were making?

Mr. MURPHY. They ignored it.

The CHAIRMAN. As I understand it, in June 1970, you attended an executive meeting, and the members of the executive board, you claim, beat you up badly?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. Did every member participate in that or just one or two?

Mr. MURPHY. Very few members opposed the union because there is nothing to gain from it.

The CHAIRMAN. Who beat you up?

Mr. MURPHY. The officers and executive board members.

The CHAIRMAN. How many of them?

Mr. MURPHY. There were two executive board members and four business agents.

The CHAIRMAN. And all six of them jumped on you and beat you up?

Mr. MURPHY. Yes.

The CHAIRMAN. So I take it, you continued to express your dissatisfaction with the contract despite the beating?

Mr. MURPHY. By that time, it was too late. The contract was over, already approved.

The CHAIRMAN. Did you continue your relationship with this dissident group?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. And that is despite the fact that you were beaten?

Mr. MURPHY. I was more determined that they needed a new way of thinking down at that union hall.

The CHAIRMAN. In fact, you ran for the executive board in 1971 on a dissident slate.

Mr. MURPHY. Yes, sir.

The CHAIRMAN. You lost; is that right?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. During 1970, 1971, and 1972, were you able to work regularly out of the union hall?

Mr. MURPHY. No, sir.

The CHAIRMAN. As I recall, in 1970, you worked 23 weeks; in 1971, 5 weeks——

Mr. MURPHY. It is in the record. We checked the records, yes.

The CHAIRMAN. You told our staff that you worked 23 weeks in 1970; 5 weeks in 1971; in 1972 you were not referred to a single job by the union, but you worked 12½ weeks by name request. Are those figures accurate?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. Did you continue your dissident activity in 1972?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. You told us that you handed out literature, and you continued to expose illegal activities, what you considered to be illegal activities of the union leaders?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. What was the reaction, if any, at that time to your continued activities?

Mr. MURPHY. The second time I was beaten up, there was literature shown where an officer of our union bought a plane for $3,500, and it was either the same day or the next day he sold it to local 18 for $13,500. His name was Stephens, and they destroyed the plane by flying it into a barn.

The CHAIRMAN. Was this the time you were knocked out again by a member of the union?

Mr. MURPHY. Yes.

The CHAIRMAN. You claimed you were falsely charged with interfering with the election of convention delegates. What happened there?

Mr. MURPHY. I went to the Labor Board, and they said they could not find any "agency relationship," I think the words were.

The CHAIRMAN. You were charged with interfering with the election of convention delegates, and you were tried by what you considered to be a stacked meeting.

Mr. MURPHY. Yes, sir.

The CHAIRMAN. You were fined $500 and suspended for 2 years, which started in 1972; is that correct?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. Did you continue to work after you were suspended?

Mr. MURPHY. Hardly ever. I supported the candidates, although I could not even vote for them.

The CHAIRMAN. I see, but did you work at your trade?

Mr. MURPHY. No, I did not, sir.

The CHAIRMAN. Is it true that from 1973 to 1983, you have only worked approximately 32 weeks out of the union hall itself?

Mr. MURPHY. That is correct, sir.

The CHAIRMAN. As I recall, from 1974 through 1979, you only had 4 hours. Most of those years were zero hours. You had 80 hours in 1980, and 145 hours in 1981, and 335 hours in 1982, and 699 hours in 1983?

Mr. MURPHY. That is correct, Senator.

The CHAIRMAN. Did you take any legal action as a result of what you considered this mistreatment?

Mr. MURPHY. Yes, sir. The American Civil Liberties Union wound up representing me in this case.

The CHAIRMAN. And you got a Federal court injunction in 1975 which restored your membership; is that right?

Mr. MURPHY. Yes, but there is one thing on that, Senator. The suspension was for 2 years, and they refused to take me back into the union until a year later we could do it with the election laws, because they denied me the right to run for office.

The CHAIRMAN. So they made it 3 years, in essence?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. In your opinion, is the referral system of local 18 operated in a fair manner?

Mr. MURPHY. No, Senator.

The CHAIRMAN. You say here today that only after a Federal court injunction in 1975 and some 5 years of waiting after that, you only recently began to be referred out of the hall in 1983. Frankly, in 1983, you only worked 17½ weeks?

Mr. MURPHY. It would be far less than that, Senator, because the job I have now is the longest job I have had in probably 13 or 14 years. When the dispatcher called me, she said, "Bill, I don't know how long it is. It looks like 1 or 2 days," and the job is still going on. It has possibilities of lasting a lot longer.

The CHAIRMAN. What you seem to be saying is, it has taken you almost 10 years to begin any meaningful status whatsoever; is that a fair statement?

Mr. MURPHY. Yes, Senator, that is correct.

The CHAIRMAN. As a general statement, is the referral system of local 18 being run in an unfair discriminatory manner as to other members, or is that just in your case?

Mr. MURPHY. It is only being run for the benefit of those people who support the officers and agents of local 18.

The CHAIRMAN. Can you give me some examples, Mr. Murphy, of some of the unfair discriminatory approaches that have been taken, in your case and in the case of some of the other members of the local?

Mr. MURPHY. Do you want what they do?

The CHAIRMAN. Sure.

Mr. MURPHY. One of the things they do is, they have their agents, there are prejob conferences, they go out there and talk to the contractor, and it just happens that their supporters happen to get these jobs. Another thing they do is, they go around the contractors and get letters saying that you are not a good employee. But you can get around that because then you have to go to everybody you are working for, and you have to get a letter saying that you are a good employee. I do not mean to make fun of this situation, but it is like a letter game: they get letters against you, and you get letters for you. Who has the most letters is the winner.

The CHAIRMAN. We will put into the record at this point a statement you have provided the committee as Murphy exhibit No. 1, where you list a number of examples of what you consider to be unfair discriminatory approaches toward union members, and particularly yourself. Without objection, we will put that into the record.

[The prepared statement of Mr. Murphy inserted as exhibit No. 1 follows:]

Murphy Exhibit No. 1

STATEMENT OF:
WILLIAM F. MURPHY

P.O. BOX 176
Orwell, Ohio 44076

I was born at St. John's Hospital in Cleveland, Ohio on October 4, 1940.

I joined Local Union No. 18, International Union of Operating Engineers in November 1964 and was given a "parent body book." I had been working as an operator since the Spring of 1964.

I was not involved in any dissident political activity within Local Union No. 18 until 1969-70. I was aware of the union's attitude toward the dissidents (they were known as "Rebels"). In the Spring of 1965 I went to a regular district meeting of Local 18 where some dissidents were giving out literature. I took some and John Frank, Business Agent for District 1, came out and said, "Are you one of those sons-of-bitches or mother-fuckers" (I forget which). I could see that he was upset and I had this literature so I tore it up in front of everybody which made him happy. Later in 1965 John Frank said he needed someone to do something for him (like go to the Rebel's meetings and fink on them) and I agreed to do it. I went to one in Mansfield, Ohio.

During this period when I was not involved in dissident political activity I worked steadily. In 1965 I worked 1559 hours as an operating engineer (approximately 40 weeks). In 1966 I worked 1767 hours (approximately 44 weeks). In 1967 I worked 1495.5 hours (roughly 37 weeks). In 1968 I worked 1966 hours (about 49 weeks). In 1969 I worked 1878 hours (about 47 weeks).

In 1969 I began to complain about the contractors not living up to the union rules, safety rules, working rules, etc. By the Spring of 1970 I was in full accord with the dissident group. I disagreed with the collective bargaining contract then being negotiated. I attended a meeting of District 1 of Local Union 18 on April 13, 1970 and I complained about the collective bargaining agreement. I was told "it was none of my fuckin' business" by the person chairing the meeting. I picketed the union hall for seven days because of the contract. My sign read "Why Are We In The Dark On Contract. IUOE LU 18." In early May 1970 The Cleveland Press ran an article "Seeds of a Revolt" with a picture of me picketing and a brief write-up on what I was trying to achieve.

On June 27, 1970 there was an executive board meeting at the Columbus Sheraton Hotel in Columbus, Ohio. I went to the meeting. At that meeting they were going to know the results of the contract ratification. At that meeting the Business Manager John Possehl said "something will be done about Murphy." After the executive board meeting was over I was beaten up in the Columbus Sheraton Hotel swimming pool area. The people involved were James Grothaus, executive board member, Kenneth Delaney, executive board member plus four other members who happened to be business agents. My new bottle green suit was ripped up. I got scuff marks on my right ear and my face and my side was sore. I went to a hospital and the waiting line was so long I left and went to another one. I returned to Cleveland and went to the Cleveland Clinic.

In July 1970 at the District 1 meeting in Cleveland, Ohio the officers informed the members that the "contract has been approved." At that meeting I gave Charles Rutherford a large rubber (condom) in his suit lapel pocket letting it hang out and I said to him "the next time you have intercourse with Local 18 would you please wear this?" Everybody laughed very hard. This year, 1970, my working hours were reduced to 929.5 hours (about 23 weeks) by the union. Of the 929.5 hours 80 of these hours were at Furnco Construction Corporation in Lorain, Ohio where I was specifically requested by the contractor.

In 1971 I ran for the executive board on the dissident slate and lost. I was only referred by the union hiring hall for 207.5 hours (roughly 5 weeks) of work in 1971.

In service year 1972 I worked 505 hours (about 12 1/2 weeks), but this was at Vetovitz Brothers in Brunswick, Ohio where I was specifically requested by the contractor. In other words, Local 18 did not refer me to a single job that year.

In 1972 I was a delegate to the International Convention to be in April on the dissident slate. I attended the state meeting of Local 28 in Columbus at the Columbus Veterans War Memorial Auditorium building on January 23. I was giving out literature because the government was going to conduct a government supervised election in 1972 and I was giving out literature explaining that. I also had literature telling that Ray Stevens (union officer) had bought an airplane for $3500 and the next day sold it to the local for $13,500. He flew it into a barn and destroyed it. A union member by the name of Ray Shell sucker punched me out. I swore out a warrant and he was arrested and convicted. I also sued him and won $600 in Newark, Ohio. I filed an action against Local 18 with the NLRB. The proceeding was dismissed on June 12, 1972 on the grounds that the plaintiff had failed to prove an agency relation regarding the incident. However, in Murphy vs. Local Union No. 18, Civil No. C73-1336 (No. D. Ohio 1975) it was found that Whitey Kemmerling, business agent and executive board member from District 3, publicly praised Shell's action and Shell later admitted he had been "told to give plaintiff a hard time." Local 18 paid for the criminal and civil legal defense of Shell, as well as the civil and criminal defense fees for Delaney arising out of the 1970 beating. In 1972 I was charged with interferring with the election of delegates to the 1972 convention. I was given an unfair trial. People were shipped in to vote against me from all over the State of Ohio. I was fined $500 and the legal fine is far less than that. I was suspended for two years from being a member and in reality I served a three year suspension. Judge Lambros awarded me a temporary injunction so I could run for union office in 1975 which later became a permanent injunction and that is the only reason I am a member now.

In 1973 I worked 85-1/2 hours for the entire year. In 1974 - nothing. In 1975 - nothing. In 1976 - nothing. In 1977 - nothing. In 1978 - four hours. In 1979 - nothing. In 1980 - 80 hours. As a result of the 1972 union trial I was suspended from membership for a period of two years. You don't have to be a member to be referred but they nevertheless removed my card. The union wanted me to fill out a new card but I refused. My card was returned to the deck three months later (August 1972). In August, September and October 1972 I worked 85-1/2 hours which was the total employment for service year 1973. Under the union rules suspension from membership is not a reason for not working but nevertheless I was not referred again until 1977 with the four hours on an unsafe machine.

In 1974 I was not reinstated by the Union. In fact I was not restored to membership until June 5, 1975 when Judge Thomas Lambros of the U. S. District Court, Northern District of Ohio issued a preliminary injunction which later became permanent. In 1980 I worked 80 hours (two weeks) by referral. In 1981 I worked 145 hours (3-1/2 weeks). In 1982 I worked 335.25 hours or approximately 8 1/2 weeks. In 1983 I worked 699.75 hours or approximately 17 1/2 weeks.

So far in service year 1984 I have worked 841.5 hours. Of this 776 hours was at Schweitzer & Dipple. When the dispatcher first called me on this job (July 1983) she said, "I don't know how long it is, Bill, one or two days. I said "I'll take it." The job is still going on. Obviously my work record demonstrates that the referral system of Local 18 is not operated in a fair manner.

This is one of the many underhanded ways that Local 18 manipulates the referral system so that executive board members, relatives and political supporters work more than the average union member and dissidents are kept out of work. Since the union knows all about a job before referral as a result of pre-job conferences with the contractors they give the long jobs to their friends and the short jobs to their enemies.

Under the collective bargaining agreement a member who works 16 cumulative days within a sixty day period has his referral card put at the bottom of the deck. Depending on the economy it might take as long as a year to get back to the top of the deck. Thus, the union will give you a 20 day job just to put you at the bottom of the deck.

An operator can solicit his own work if he is in a deck but if a contractor hires him the contractor has to worry about unusual enforcement of the working rules being enforced. I was requested by All Erection & Crane Rental and Mike Liptak requested me. The business agent, Frank Roviscane, would not give the job in Liptak's office. I had to go home and receive the job at home. And later on, a few days later, Mike Liptak told me that "they are going to picket my place if I hire you." Later on I was working at Cleveland Electric Illuminating, Avon Lake on one of Liptak's cranes and two plumbers came up to me and asked if I had a business agent by the name of Roviscane and said he was telling that superintendent to get rid of me. I talked to the superintendent and he says he wasn't getting rid of me. A few days later I was gone.

Another way is that if you are requested if you are one of their guys they will wait more than one day to fill the job, but otherwise they will say they could not get hold of you. Their friends get a lot of one day jobs and temporary jobs. Those jobs don't count toward the total cumulated days. I had an answering service at one time and they said that that wasn't a working phone though I did not have a residence because I had to sell my home to have money to live on.

Another thing they do at pre-job conferences they get the employer to send a letter into the union hall requesting people they tell them about and it's too much of a coincidence when an employer comes in from out of state and by coincidence gets their friends hired by the employer. You have to get letters from the employer stating that you are a competent operator because they are going to go to the employer and say that you are not a good operator and it is who gets the letters out first.

The union will also refer members who are disfavored to jobs with unsafe or non-working equipment. I have had more than my share of this.

In 1972 I worked for FMC Corporation (known as Link-Belt) running a Pettibone cherry picker, anyway this cherry picker had no brakes. The master mechanic still wanted me to operate it. He told me to downshift it. I refused to do it so he then finally fixed it. At Industrial Construction the fork on the fork lift was not properly welded and there was not enough weld and I was lifting up stuff for the electricians and the fork fell off. I complained to OSHA about it. On the Suburban Power Piping Cleveland Electric Illuminating Ashtabula Power Plant, out of seven days of employment, I spent four days waiting for a mechanic. On Schweitzer & Dipple Co. the cherry picker would only do one thing at a time - hoist, swing or boom. It should be able to do several of the above at the same time. This one would not so I quit the job for another job and I come back to pick up my paycheck and the superintendent told me that I was lucky I quit because the machine fell apart on the other operator. For Dravo Corp. Engineering and Construction they sent me out there. There was a homemade rain gutter inside the cab to catch the leaky oil. There was plywood on the machine to catch the oil too. Oil shot out like a fountain when you worked the boom. There were no brakes so I quit the job. A year later I was called to go to work for Chicago Bridge and Iron to run a cherry picker and it was the same Dravo cherry picker rented by Dravo and they wanted me to operate the same cherry picker in the same condition. I refused and then the superintendent told me he would get another one from All Erection and would I unload enough stuff to get the job going that day and I agreed.

Some of the ways that all of this has affected me economically are that in 1971, I had to sell my house. I stayed with relatives and friends until 1973 when I moved into a house with no running water in Orwell and unsafe electricity, and I have lived there since. I was forced to work on the docks in Ashtabula, helped build houses, trimmed trees, worked as a laborer in Cleveland, Lake County and Youngstown areas, worked as a burner with the Laborers and worked as a boilermaker in Toledo. I've had to work in Maryland on the Chesapeake Bay Bridge as a pile driver. I could not live a normal life in any way. In 1970 I earned approximately $6500, in 1971 approximately $9400, in 1972 approximately $2100, in 1973 approximately $11,000, in 1974 approximately $9600, in 1975 approximately $, in 1976 approximately $15,000 and in 1977 approximately $22,000. I lost all of the pension credits that I built up as well as all health insurance benefits. I still owe hospital bills which I had to pay because I had no insurance coverage.

WILLIAM F. MURPHY

I affirm under penalty of perjury that the foregoing is true to the best of my knowledge.

WILLIAM F. MURPHY

The CHAIRMAN. How has all this affected you economically?

Mr. MURPHY. Very badly.

The CHAIRMAN. As I recall from the materials you have given to our staff people, you claim you have been forced to work at all sorts of low-paying dangerous odd jobs, with no hope of steady income. You have lost your home, your health insurance benefits, and you have no pension benefits.

Mr. MURPHY. That is correct. In 1972, I was operated on, and I still owe for the operation.

The CHAIRMAN. But you are working now, you are saying?

Mr. MURPHY. Yes, I am working now.

The CHAIRMAN. Do you consider yourself a good operator, below average, above average, or what?

Mr. MURPHY. I consider myself a good, conscientious employee. Anybody who would hire me would be fortunate.

The CHAIRMAN. So you consider that you have worked hard, and you have given a fair day's work for a fair day's pay?

Mr. MURPHY. I have spent a lot of money to go to school on my own, to give me those technical skills that I need for work, too.

The CHAIRMAN. Let me say this. I appreciate all three of you testifying.

Mr. SHIMMAN. I would like to throw in a couple of things I talked to your staff about and they have not been brought up. This union has a paper they call The Buckeye Engineer. One of the latest articles just come out, a district agent in Toledo, Ray Frankhouse, in the article it states something like, "If you don't go along with the policies of local 18, you're a traitor." He can put this in the magazine, the monthly magazine that our dues money pays for, and I cannot answer that.

In the same way, back when my brother collected that money, Earl Erwin put an article in that same paper and said there was nobody else on the staff of local 18 any more who was involved in that beating. That is a lie, and I tried to get my response to his article in the paper, and I could not get it. We still have people on our staff who were involved in that beating.

Another thing. There was man, Ken Delaney, who was on the executive board of local 18. My brother, when he come to Toledo in the Federal court, Delaney got on the stand and he took the fifth amendment. Finally, Judge Young, the Federal judge there, turned to the witness Delaney and said, "Mr. Delaney, I am going to ask you that question, and don't you give me that answer." Well, he gave him the answer, and he went to prison for 11 days. The judge got him for contempt of court.

He was on the executive board then. He came back and the *Murphy* case started. So they subpenaed him in the *Murphy* case. Bill Fadel was in the *Murphy* case. They went through testimony and that, and he told how the referral worked. They were schooling him to be a business agent. He was on the executive board. He showed him how they overpassed these people, through the phones, and all the things they do.

Finally, they asked him during the court proceedings, "Did any attorney or legal counsel tell you to lie under oath?" He said, "Yes, they did." He said, "Who told you to lie under oath?" He pointed down to Mr. Fadel and he said, "Bill Fadel told me to lie under oath." That's in the Cleveland case, Murphy, et al.

The CHAIRMAN. Can you submit those two Buckeye Engineer articles? We will be happy to put them in the record.

Mr. SHIMMAN. The staff has them.

One more thing on the Buckeye Engineer. I work in Lima, Ohio. They have what they call an informal get-together. It's not a regular union meeting. What it is, we are almost 90 miles from Toledo, and it is to bring the men up on what is going on. Me and my brother are working in the area. We attend this meeting. I get up on the floor and I ask about the business agents' salaries, if they got a raise. They said no. They lied; they did get a raise, according to the Financial Disclosure Act.

I asked about violations on the job. Nothing was corrected. The agent, Boyd Rader, in charge of the meeting, cut the meeting off and said that the meetings are suspended, there will be no more. I said, "Will you give me a reason why?" All he said to me was, "You're out of order," and we have not had a meeting since then.

The CHAIRMAN. Thank you. Let me turn to Senator Nickles.

Senator NICKLES. Thank you, Mr. Chairman. I compliment you for the hearing, and I compliment our witnesses for coming forth, probably I would assume, under some difficult circumstances.

Mr. Murphy, you mentioned that you were beaten twice. What were those dates?

Mr. MURPHY. 1970 and 1972.

Senator NICKLES. You mentioned a beating just a minute ago?

Mr. SHIMMAN. My brother. They were supposed to beat me up. It was all set up. They had all the witnesses——

Senator NICKLES. When?

Mr. SHIMMAN. It ended up, my brother was the one they beat up in the meeting. They did not get me.

Senator NICKLES. When?

Mr. SHIMMAN. 1972, September.

Senator NICKLES. Both of those were several years ago. Are there other instances of physical beatings?

Mr. SHIMMAN. No, but Judge Young said the beating destroyed all the dissidents in local 18, as far as Toledo went. They all got scared. We have men who will not go to a union meeting today. So they scared out the opposition.

Senator NICKLES. Maybe that was the purpose of it. But have there been any beatings in the last couple of years?

Mr. SHIMMAN. Not that I know of.

Senator NICKLES. A lot of the other abuses that both of you have mentioned, is that still going on today, whether it be harassment or refusal to refer?

Mr. SHIMMAN. Through the referral, yes. If I get referred to a job, I even get the job, I am out there working, and the business agent will come out and go to the contractor and find some reason to run me off. I got run off a job. I was talking about violations. The business agent told the contractor how to get rid of me legally. He said, "If you just fire him, he will go to the Labor Board or something. So what you do is, you lay the crane up for a week. You hire another crane rental company to come in." They did that.

He told one of the operators after this all went on, they got rid of me, laid me off. My rig sat for 1 week, and after 1 week they went back to work. They told an operator, Glenn Oberle, on the job, "It cost us $1,000 to get rid of Erv Shimman," because I complained about violations and that. The business agent told them how to get rid of me.

Senator NICKLES. Mr. Murphy, did you have something you wanted to add?

Mr. MURPHY. No.

Senator NICKLES. Is that refusal to refer any work to you still happening today?

Mr. MURPHY. I copy the list every week at the union hall, because they have to post it now. When I was copying, an individual was requested by an employer. That individual never got the job. It was given to another person, and that person who was requested did not get it. If you look at the charts—their own records will show on this—they have waited for longer periods of time to fill requests for operators, but this individual they did not.

Senator NICKLES. So the jobs have been going to the ones who do not speak up against; is that correct?

Mr. MURPHY. Yes, that is correct.

Senator NICKLES. Or, let me turn that around, if you speak up, if you have some complaints about the operation of the local, then you do not get a job?

Mr. MURPHY. That is correct.

Senator NICKLES. Is all hiring done through this one local? Is it possible for you to do work outside of it?

Mr. MURPHY. You mean work in this specific thing on a union job outside the union?

Senator NICKLES. Yes.

Mr. MURPHY. The only way you can do that is, you have to get requested by the employer. Even then you have to, because the rules say you have to have a letter signed by the superintendent or the owner of the company, with the letterhead of the company, mailed to the union office.

Senator NICKLES. Is all the work done by nonunion contractors or through the local union, or do you have some nonunion work done as well?

Mr. MURPHY. We have some nonunion contractors in Ohio, yes.

Senator NICKLES. Are you able to do some work with them?

Mr. MURPHY. That is a good question. I could probably go to work there, but then the union would probably get on my case for doing that. Personally, I do not like to work nonunion. I prefer to work union.

Senator NICKLES. But there is nothing to prohibit you from working in a nonunion job?

Mr. MURPHY. As far as I know, there is not.

Senator NICKLES. Would there be anything to prohibit you or your brother or anybody else from working in a nonunion construction job?

Mr. SHIMMAN. I wouldn't work nonunion; I'm sorry.

Senator NICKLES. So you want to work in the union; you just want to eliminate some of the abuses that have been taking place?

Mr. SHIMMAN. If there is a violation under the contract, I don't want the business agent to come out and tell them to run me off because I am complaining about the violation on the job. The job I am on right today, my master mechanic sits in this audience. If he calls in and requests a man, the first they do, they call the company back and say, "How come you're requesting that operator?" To me, the union was no right to call back. That man controls that job. He is allowed to call for men, as long as they meet that referral, but if it is not one of their favorite boys, they complain to the company right away. They have tried to run the man off. I do not think he was present when they sent the clippings in. This man went to jail a few years back. The union agent sent clippings to the job, to the project manager, to show that this man had done time in jail and that, trying to harass them to get rid of the man.

We told him, "Stick the job out. They're trying to get rid of you. They're trying to get that Bob Hedges back in here."

Senator NICKLES. Do you think, either of you—and Mr. Gard, you can answer this as well, possibly—there has been a lot of exposure through this hearing and through the trials and so on of some of the abuses. Do you think those abuses will continue, or do you think that maybe some reforms will be made in the operation of the local?

Mr. GARD. I think that absent Federal legislation to require recording and the right to inspect referral lists and an effective legislative prohibition on referral discrimination by unions, that the discrimination will continue, not only in local 18 but nationwide.

Senator NICKLES. Gentlemen, do you think the situation will improve or get worse?

Mr. SHIMMAN. It has not improved in 38 years I have been in it, Senator.

Senator NICKLES. You are not that optimistic that it will get any better in the future?

Mr. SHIMMAN. It seems like they always find some ways to get around it or to get their people out to work. I have put up with it for 38 years.

Senator NICKLES. Do you think the Justice Department's efforts in this area have been adequate?

Mr. SHIMMAN. I think so. We had the McClellan Committee, and we had the Landrum-Griffin bill. I think it has to be strengthened. It is just too weak a bill. You can go so far with it, but it has to be strengthened.

Mr. MURPHY. The way it is now, it is true that you are entitled to due process and to go to the Labor Board, but they control your money. Eventually, you are going to run out of money, and they are going to subdue you. There are not many people who would do what Shimman and I and a few others in these United States would do. It is very hard on you.

Senator NICKLES. I understand that. And, gentlemen, I want to thank you again for your willingness and the courage that you have shown in trying to correct the situation. I might mention that a lot of us are interested—myself, Senator Hatch, and others—in trying to see that some abuses and discrimination do not go forward. Particularly some of the cases that we heard about yesterday, and we heard about beatings and so on, a lot of people would like to think that is all way back in the past. In areas where we find it is still continuing, we are going to make every effort that we can, legislatively or through oversight or whatever, maybe trying to encourage the Justice or Labor Department to follow through on existing statutes to try and eliminate abuses where they do exist.

I appreciate your willingness to cooperate before this hearing. And Senator Hatch, again I congratulate you for having this hearing and exposing some of the problems. I am hopeful that there will be some positive results.

Mr. SHIMMAN. Back on referrals, we had a business agent in December fired from local 18. He put a ticket in the out-of-work deck December 9. He was paid for the whole month of December, but yet he held a ticket in our out-of-work deck December 9. Then he turned around and was requested to work right away after that. He is a former business agent.

The CHAIRMAN. You fellows have brought up some interesting things. Professor Gard, we appreciate the suggestions you have made to this committee. I wish it were as easy as you and I would both like it to be to reform the law and to make sure that these injustices do not occur. Unfortunately, it is almost impossible to change some of the labor laws and reform them one way or the other. I wish we could do it.

My time has run out, but I would like to thank you, gentlemen, for being here today. We appreciate the testimony that you brought with you, and we will keep this record open for these written statements. I will chat with those who would like to testify further afterwards. But we are grateful for the time that you have put in, and we are grateful to have you here today.

[Additional information supplied for the record follows:]

Feb 29, 1984

To Whom it may Concern,

While I was a spectator in the Murphy case in Cleveland Ohio, A Mr. K Delany was on the stand. He made a statement that "Mr. William Fadel told him to lie while under oath." Mr. W. Fadel jumped up from his seat and pounded his fist on the table and shouted "I want to be divorced from this case now."

At the time this happened the court trial was being vedio tapped.
Mr. Ervin Shimmin and Prof. Allan Rubin was also present.

Barbara Shimmin

FEB 29, 1984

To whom it MAY CONCERN

IN FEDERAL Court AT Cleveland, Ohio DURING JUDGE LAMBROS' CASE (Murphy v Local 18 ETL) KEN DeLANEY WAS A WITNESS AND while UNDER OATH PROF. ALAN MILES ASKED the WITNESS (KEN DeLANEY) if ANY ATTORNEY OR Legal PERSON HAD ASKED DELANEY TO LIE UNDER OAth.

DeLANEY REPLYED "YES" AND pointED to AND SAID "FADEL (LOCAL 18 ATTORNEY) Told him to LIE UNDER OAth."

This COURT Action WAS VIDEO taped

Erwin A. Shinsman

The **Chairman**. Thank you so much. We hope we can resolve some of these problems. Certainly, these hearings go a long way toward helping, but we need to do more, and we all understand that. Thank you so much, and with that we will recess this hearing until further notice.

[Whereupon at 11:54 a.m., the committee recessed, to reconvene at the call of the Chair.]

OVERSIGHT OF OPERATING ENGINEERS, 1984

TUESDAY, MAY 22, 1984

U.S. Senate,
Committee on Labor and Human Resources,
Washington, DC.

The committee met, pursuant to recess, at 9:35 a.m., in room SD-430, Dirksen Senate Office Building, Senator Orrin Hatch (chairman of the committee) presiding.

Present: Senators Hatch, Thurmond, and Grassley.

OPENING STATEMENT OF SENATOR HATCH

The **Chairman**. Today the Committee on Labor and Human Resources resumes hearings on allegations of corrupt activities on the part of certain labor union leaders in the Lake Charles, LA area.

In our previous hearings on this matter, held last February 28 and 29, witnesses presented an incredible picture of wrongdoing on the part of officials of local 406 of the International Union of Operating Engineers in Lake Charles. They testified that the business agent of that local, Mr. Willard Carlock, Sr., had engaged in or promoted such practices as shakedowns of money from rank-and-file union members, sabotage of contractor equipment, discriminatory hiring practices, including demanding sexual favors in return for job referrals, and extortion of contractors to rent equipment from Mr. Carlock even though the contractors already owned similar or identical equipment. At the February 29 hearing, the Justice Department promised to reopen and broaden the 1981 investigation of Local 406 that had been closed out after what appeared to be the most superficial of investigative efforts.

The Justice Department witnesses promised to pursue this case "vigorously," to use their term, and I am convinced that they are doing so. In a May 14 letter to FBI Director William Webster, I asked the Bureau to give us a progress report on this investigation at today's hearing, but Mr. Webster declined on grounds that the Bureau does not comment on open investigations. The Bureau has informed my staff, however, of some of the investigative steps they are taking, and I am convinced that their efforts will lead to a successful and timely prosecution. That would be a very significant development, because we have heard testimony that the criminal element among the labor leadership of Lake Charles has bragged again and again that they are beyond the reach of the law, both on a State and Federal basis.

I intend to continue to address the issue of corruption in the labor movement, to continue to bring pressure where possible until Congress passes the Labor-Management Racketeering Act of 1983.

It is important that we send a message to the honest rank-and-file union members in Lake Charles and throughout the United States that we will stay the course until these issues and these matters are resolved. We need to reassure those courageous union members who have come forward and testified and who now fear that their lives will be endangered if it is perceived that our efforts are being stopped.

The focus of today's hearing will be testimony of both workers and contractor personnel regarding alleged union corruption on a construction project at the Roy S. Nelson Electrical Generating Station, Unit No. 6, in Westlake, LA. This is a coal-fired electric powerplant near Lake Charles that was completed in 1982. Our investigation focused on the plant's coal-handling facilities, constructed between 1979 and 1981, by Pullman-Torkelson Co., under subcontract to Bechtel Power Corp., the prime contractor for the Nelson plant.

Witnesses from Pullman-Torkelson and from two unions—the Operating Engineers and Carpenters—will testify to a widespread pattern of corruption, including the forced hiring of ghost employees, payroll padding, sabotage, theft of materials and equipment, and forced rental of construction equipment owned by Willard Carlock, Jr., the son of the leader of the union down there.

The committee's investigation, as well as the internal investigation by Bechtel and Gulf States Utilities, will also be part of our consideration here today.

We have reviewed an extensive, three-volume, 700-page report on a joint Bechtel-Gulf States Utilities investigation of Pullman-Torkelson's $43 million claim on what was to be $11 million in subcontracts. The report makes some incredible reading.

I decided not to release it, even in sanitized form, because of the fears of some of the field personnel who were interviewed that their lives would be endangered if they were pinpointed as having revealed illegal activities by union leaders.

The FBI, which can deal with these witnesses on a confidential basis, has been informed of this report by our committee staff, and I trust that they have made, or soon will make, efforts to obtain it. They will find it compelling, just as I think they will find today's hearing on the same subject compelling. By persuading some of the witnesses in the Gulf States' report to testify today, and by bringing in several persons not interviewed for the report, we will present essentially the same picture here today as is contained in the report.

I hope that after this morning no further hearings on union corruption in Lake Charles will be necessary. However, I think it needs to be known that I will not hesitate to hold as many followup hearings as are needed to ensure that the urgent call for justice that has been sounded by our courageous witnesses from Lake Charles does not go unanswered. The Justice Department has promised to pursue this case vigorously, and we will ensure that they make good on that promise.

I might also mention that the owner and operator of the plant that I have mentioned revealed that labor corruption was largely responsible for the astounding $32 million cost overrun on two subcontracts for coal handling valued at only $11 million.

To its credit, Gulf States agreed to pay only a little over $3 million of the overrun based on legitimate claims, so Louisiana consumers were not penalized for the inability of the subcontractor to prevent corrupt labor practices.

However, this does not lessen the seriousness of the alleged crimes we will hear about this morning, nor does it lessen the pain for the subcontractor, Pullman-Torkelson, who has told us that they had to consolidate with another company due to the staggering losses they suffered because of their inability to withstand intimidation by officials of the Operating Engineers & Carpenters Union. At this time, I will place in the record a letter of explanation from Gulf States Utilities and a copy of the settlement agreement. We will place that in the record at the appropriate place. These will be recorded as Gulf States Documents Nos. 1 and 2.

[Material supplied follows:]

Gulf States Document #1

GULF STATES UTILITIES COMPANY

POST OFFICE BOX 2951 • BEAUMONT, TEXAS 77704

AREA CODE 409 838 6631

DONALD M. CLEMENTS, JR.
General Attorney
(409) 839-2193

May 14, 1984

Senator Orrin G. Hatch
Senate Committee on Labor &
Human Resources
Washington, D. C 20510

Dear Senator:

As attorney for Gulf States Utilities Company, I have been asked to advise you as follows: Pullman-Torkelson was a subcontractor to Bechtel Corporation, the general contractor for the construction of Roy S. Nelson Unit 6, a coal fired generating plant belonging to Gulf States Utilities Company and located in Westlake, Louisiana. Pullman-Torkelson held two subcontracts on the project, the total value of them being approximately $11 million dollars. At the conclusion of the subcontracts, Pullman-Torkelson presented a claim to Gulf States and Bechtel for approximately $32 million dollars (including carrying charges) which it claimed it spent over and above the contract price in completing both contracts. Investigation indicated that Pullman-Torkelson did, in fact, probably expend an amount of money close to that claimed in completing the job. Approximately $8.5 million dollars of the overrun was attributed by Pullman-Torkelson to unforeseen site conditions and the partial collapse of one of the structures built by Pullman-Torkelson. Pullman-Torkelson also made a claim for approximately $6.9 million dollars against the builders' risk insurance carrier providing coverage for this job based on the structural failure. Gulf States and Bechtel resolved the disputed claim by paying $3.3 million dollars to Pullman-Torkelson. This settlement was based primarily on the uncertainties related to the structural failure suffered on the project. Pullman-Torkelson received an additional $2.9 million dollars in insurance proceeds related to this failure. The balance of the claim made by Pullman-Torkelson was not paid and was not included in the cost of the Nelson Unit 6 powerplant and therefore has not been passed on as a cost to the customers of Gulf States Utilities Company.

Sincerely,

Donald M Clements Jr

Gulf States Document # 2.

SETTLEMENT AND RELEASE AGREEMENT

TORKELSON-KELLOGG, INC., (formerly named Pullman-Torkelson Company), a Utah corporation, in its own behalf and on behalf of its officers, subsidiaries, affiliates, successors and assigns (hereinafter collectively referred to as "First Party"), and BECHTEL POWER CORPORATION, a Nevada corporation, and GULF STATES UTILITIES COMPANY, a Texas corporation, and the officers, subsidiaries, affiliates, successors and assigns of each of them (hereinafter collectively referred to as "Second Parties"), hereby execute this Settlement and Release Agreement as of the dates hereinafter set forth.

1. For and in consideration of the payment to it of the sum of THREE MILLION THREE HUNDRED THOUSAND AND NO/100 DOLLARS ($3,300,000), and of the agreements contained herein, First Party hereby releases, acquits and forever discharges Second Parties, and each of them, of all its First Party Claims.

(a) The parties hereto intend "First Party Claims" to mean any and all demands, rights, claims, damages, suits, common law, statutory or constitutional causes of action, costs, judgments, penalties, liens, executions, and attorney's fees First Party has or ever may have arising out of or by reason of any cause, matter or thing whatsoever which is in any manner related, directly or indirectly to the construction project at the Roy S. Nelson Power Station at Westlake, Louisiana, including but not limited to (i) any work performed by or on behalf of First Party or any of its subcontractors or suppliers at or for use at or with respect to the Roy S. Nelson Power Station, Unit 6, at Westlake, Louisiana (the Power Station), during the years 1979 and thereafter, including, without limitation of the foregoing, all such work performed pursuant to Subcontracts Nos. 12259-C-400 or 12259-C-401, and all such work otherwise performed at such place for any reason, or (ii) any alleged occurrences, costs or expenses described in that certain document captioned "Claim of Torkelson-Kellogg, Inc., against Bechtel Power Corporation under Subcontracts Nos. 12259-C-400 and 12259-C-401," dated December 30, 1981, or (iii) the $253,872.20 retention from such subcontracts now held by and which will be retained by Bechtel Power Corporation, or (iv) Second Parties' providing of or failure to provide Builders Risk Insurance coverage, or the terms of such coverage, with respect to any work performed at or on the Power Station or any action or failure to act of Second Parties, or either of them, with respect to any claim that First Party has asserted or may hereafter assert against such Builders Risk Insurance Carriers; PROVIDED, HOWEVER, that First Party Claims do not mean or include or intend to impair or restrict in any manner (1) any claims which First Party may prosecute or assert against the Builders Risk Insurance Carriers for losses or damages arising out of or related in any manner to the cofferdam failure at the Power Station, which claim is expressly reserved by First Party as against the Builders Risk Insurance Carriers, which is not released, acquitted, or discharged, it being understood that the sum paid to First Party hereunder includes no amount as compensation to First Party for its losses arising out of the cofferdam failure which are covered under the Builders Risk Insurance Policy, and (2) any claim that First Party may have against its own contractors, subcontractors, consultants, representatives, fabricators, suppliers, engineers, or inspectors arising out of any assertion or prosecution of any Second Parties Reserved Claims by Second Parties, or either of them, against First Party. Notwithstanding any language to the contrary elsewhere herein, it is the intention of all parties hereto that (1) all rights of First Party, and of the Builders' Risk Insurance Carriers, and of Second Parties, or either of them, under the Builders' Risk Insurance Policy, shall be preserved in all respects and shall not be impaired in any way by reason of this Settlement and Release Agreement and (2) First Party shall provide no indemnification, defense or hold harmless obligations to Second Parties, or either of them, from any and all actions, demands, rights, claims, damages, suits, common law, statutory or constitutional causes of action, costs, judgments, penalties, liens, executions, and attorneys fees arising out of First Party's efforts to enforce against the Builders' Risk Insurance Carrier the rights of First Party under the Builders' Risk Insurance Policy.

(b) The parties hereto intend that for purposes of paragraph 1 hereof, "Other Persons" means all contractors, subcontractors, consultants, representatives, fabricators, suppliers, engineers and inspectors of First Party or of either of Second Parties who performed any work or provided any material or equipment at or with respect to or for use at the Power Station, and all labor unions any of whose members performed any work at or with respect to or for use at the Power Station.

(c) First Party agrees never to prosecute or assert any First Party Claims released herein against Second Parties or either of them, and further agrees that if it ever prosecutes or asserts against Second Parties, or either of them, any such First Party Claims that are released herein, then First Party shall defend and indemnify the Second Parties and each of them, and hold them free and harmless from and against all claims, liability, loss, damages, debts, liens, charges, suits, judgments, executions, costs, penalties, and expenses (including investigation expenses and attorney's fees), of any nature, incurred by or on behalf of either of them as a result of the prosecution or assertion of any of such First Party Claims. First Party warrants that prior to executing this Settlement and Release Agreement it has not assigned any of its First Party Claims to any person or entity.

(d) First Party further agrees and intends, in the following manner, to fully protect Second Parties, and each of them, from all liability, loss, cost, or expense of any nature whatsoever, that may result directly or indirectly from the assignment, prosecution, assertion, defense, compromise, settlement or trial of any First Party Claims that First Party prosecutes or asserts or may hereafter prosecute or assert against any Other Persons as defined in paragraph 1(b) hereof.

(i) First Party agrees to defend and indemnify Second Parties, and each of them, and hold them free and harmless from and against all claims, liability, loss, damage, debts, liens, charges, suits, judgments, executions, costs, penalties, and expenses (including investigation expenses and attorney's fees), of any nature, incurred by or on behalf of either of them as a result of the assignment, prosecution, assertion, defense, compromise, settlement or trial of any First Party Claims against any such Other Persons, or as a result of any claims or legal action arising directly or indirectly therefrom (included but not limited to any action against either of Second Parties seeking contribution or indemnity) that may be prosecuted or asserted against Second Parties or either of them by any such Other Persons or by any other persons or entities whomsoever.

(ii) First Party agrees to make this Settlement and Release agreement promptly known to the court and opposing counsel in any action it may file to prosecute or assert any First Party Claims against any Other Person. First Party further agrees that should any action be filed against Second Parties, or either of them, as a direct or indirect result thereof, then First Party will assume the defense of Second Parties, and each of them, in such action and First Party will pay all costs and expenses (including investigative expenses and attorney's fees) incident to such defense. First Party further agrees that should any recovery for contribution, indemnity, other damages or costs be awarded against Second Parties, or either of them, in such action, then First Party shall reduce its recovery in such action by the amount necessary to reduce to zero any judgment therein for contribution, indemnity, cost, or other recovery, against Second Parties, or either of them. In the event that such judgment against Second Parties or either of them is not reduced to zero, then First Party further consents to the entry of a judgment against it in such action, and in favor of Second Parties, or either of them, as may be applicable, in the full amount of any such judgment against Second Parties, or either of them.

(iii) In the event First Party settles any First Party Claims against any Other Person and such settlement does not result in the entry of a final judgment by a court, then First Party will endeavor to obtain from each Other Person from whom it settles a release wherein each such Other Person promises not to seek contribution or indemnity or other recovery from Second

Parties, and each of them, and releases Second Parties, and each of them, from any claims for contribution or indemnity or other recovery. First Party agrees to furnish Second Parties with a signed copy of each such release if it is obtained.

2. Second Parties, in consideration for the matters herein agreed to by First Party, hereby release, acquit, and forever discharge Second Parties Releasees of all Second Parties Claims.

(a) The parties hereto intend "Second Parties Claims" to mean any and all demands, rights, claims, damages, suits, common law, statutory or constitutional causes of action, costs, judgments, penalties, liens, executions, and attorneys fees, that Second Parties have or ever may have arising out of or by reason of any cause, matter or thing whatsoever which is in any manner related, directly or indirectly to the construction project at the Roy S. Nelson Power Station at Westlake, Louisiana, including but not limited to any work performed by or on behalf of First Party under the subcontracts herein referred to; PROVIDED, HOWEVER, that Second Parties Claims do not mean or include any Second Parties Reserved Claims, which are expressly reserved by Second Parties, and which are not released, acquitted, discharged or assigned, by this Settlement and Release Agreement.

(b) The parties hereto intend "Second Parties Releasees" to mean First Party and the contractors, subcontractors, consultants, representatives, fabricators, suppliers, engineers and inspectors of First Party who performed any work or provided any material or equipment at or with respect to or for use at The Power Station, and all labor unions, any of whose members performed any work at or with respect to or for use at The Power Station.

(c) The parties hereto intend "Second Parties Reserved Claims" to mean any and all demands, rights, claims, damages, suits, common law, statutory or constitutional causes of action, costs, judgments, penalties, liens, executions and attorney's fees (1) that Second Parties, or either of them, have or ever may have against Second Parties Releasees, or any of them, or any other person or entity whatsoever, (i) arising out of any claim for amounts owed to any person or entity, including subcontractors or suppliers of any tier, or any lien heretofore or hereafter filed as a result of any work performed or materials or equipment supplied by or for First Party at or for use at or with respect to the Power Station; or (ii) existing or arising in favor of First or Second Parties, or any of them, under any guarantees, indemnities or warranties provided for under the terms of said subcontracts or provided by any of First Party's subsubcontractors of any tier under such subcontracts, or provided by any equipment or material suppliers of any tier of First Party under such subcontracts; and (2) that Second Parties or either of them ever may have against the Builders Risk Insurance Carriers for any reason, including losses arising out of the cofferdam failure at The Power Station; PROVIDED, HOWEVER, that Second Parties Reserved Claims do not include any claim against First Party other than any claim under 1(i) above.

(d) Second Parties agree never to prosecute or assert any Second Parties Claims released herein against any Second Parties Releasees and further agree that if either of them ever prosecutes or asserts against any Second Parties Releasees any such Second Party Claims that are released herein, then those or either of them so prosecuting or asserting such Second Parties Claims shall defend and indemnify the Second Parties Releasees and hold them free and harmless from all claims, liability, loss, damages, debts, liens, charges, judgments, executions, costs, penalties, and expenses (including investigation expenses and attorney's fees), of any nature, incurred by or on behalf of any Second Parties Releasees as a result of the prosecution or assertion of any such Second Parties Claims. Second Parties warrant that prior to executing this settlement and Release Agreement, they have not assigned any of their Second Parties Claims to any person or entity.

3. First Party agrees that if any claim or liens have been or are hereafter filed against the Second Parties, or either of them, or against the property on which the Power Station is situated, arising out of or as a result of any work performed or

materials or equipment supplied by or for First Party at or for use at the Power Station, then First Party shall (a) promptly, at First Party's expense (through securing appropriate bond or otherwise), obtain a release of such claim or liens as against Second Parties and each of them, and such property; (b) defend, at First Party's expense, any action brought to enforce any such claim or liens as against Second Parties or either of them or such property, and satisfy any judgment existing upon final determination of any such action; and (c) indemnify the Second Parties and each of them, and hold them free and harmless from all liability, loss, damages, debts, liens, charges, judgments, executions, costs, penalties, and expenses (including investigation expenses and attorney's fees), of any nature, incurred by or on behalf of Second Parties or either of them as a result of such claim or lien or action to enforce same.

4. The term "work" as used in this Settlement and Release Agreement includes, but is not limited to, the provision of labor, equipment, materials, testing and services such as engineering work and the preparation of plans and specifications.

5. The parties hereto acknowledge that this agreement is entered into in settlement of disputed claims and not as a result of any admission of liability on the part of any of the parties hereto. Further, this Settlement and Release Agreement shall be construed and interpreted under the laws of the State of Texas in the event any disputes or disagreement arise in regard to the meaning, intent or validity thereof.

6. The parties hereto acknowledge and represent that this Settlement and Release Agreement is executed without reliance upon any agreement, promise, statement or representation by or on behalf of any party except as set forth herein, and each of the parties hereto acknowledges that no other party hereto nor any agent nor attorney of such has made any promises, representations, or warranties whatsoever, whether expressed or implied, which are not contained herein in writing concerning the matters herein set forth. Each party hereto further acknowledges and represents that it has been represented in negotiations for and the preparation of

this Settlement and Release Agreement by counsel of its own choosing, or has had full opportunity to be so represented, and has chosen not to be so represented. Each party has read this Settlement and Release Agreement and has had it fully explained by counsel, or has had full opportunity to have the Settlement and Release Agreement explained by counsel of their own choosing or has chosen not to have it so explained, and is fully aware of its contents and legal effect.

7. Each of the parties hereto represents and warrants to the other that they have not in any manner or through any person or entity commenced any legal action against the other.

IN WITNESS WHEREOF, this Settlement and Release Agreement is entered into by the undersigned parties as of the dates set forth adjacent to their respective signatures.

Dated:
December 14, 1982

TORKELSON-KELLOGG, INC.,
A Corporation

By H. Price
Its PRESIDENT

First Party

-and-

Dated:
December 16, 1982

BECHTEL POWER CORPORATION,
A Corporation

By D. W. Halligan
Its Vice President

Dated:
December 16, 1982

GULF STATES UTILITIES COMPANY,
A Corporation

By E. M. Loggins
Its Executive Vice-President

Second Parties

The **CHAIRMAN**. Our investigation has been thorough, and we are convinced that it will be persuasive. This three-volume, 700-page report I think is important for the Justice Department and the FBI to look at, and hopefully they will look at it and will go from there.

We will begin this morning with our first witness who is Mr. Maurice Tynes, the attorney for numerous rank-and-file members of the Operating Engineers Union at Lake Charles.

Mr. Tynes, we are happy to have you here before the committee. I wonder if I can swear you in.

Senator **THURMOND**. Mr. Chairman, I have a brief opening statement.

The **CHAIRMAN**. Oh, I am sorry. Senator Thurmond, please.

STATEMENT OF HON. STROM THURMOND, A U.S. SENATOR FROM THE STATE OF SOUTH CAROLINA

Senator **THURMOND**. Mr. Chairman, it is a pleasure for me to be here today to receive testimony on labor abuses concerning operating engineers.

I want to commend you, Mr. Chairman, for placing a high priority on addressing serious instances of improper union or employer practices. It is extremely important that the rights of employees, whether unionized or nonunionized, be protected in our country. Your efforts in conducting these hearings convey the clear message that abuses of employee rights will not be ignored.

Mr. Chairman, I want to welcome the witnesses who will testify today. I appreciate their appearance before this committee and their courage in speaking the truth about very serious and important matters.

I am holding another hearing in about 15 minutes, but I look forward to reading the testimony we will receive today after I leave.

Thank you very much.

The **CHAIRMAN**. Thank you, Senator Thurmond. We appreciate your being here, and we appreciate your interest in this matter.

At this point in the record we will insert the statement of Senator Grassley.

[The prepared statement of Senator Grassley follows:]

PREPARED STATEMENT OF SENATOR GRASSLEY

Mr. Chairman, the allegations raised by some members of local 406 of the Operating Engineers Union about the management of that local are serious ones. These accusations do seem to indicate that activities violating State and Federal statutes may be routinely occurring in this local.

Some of the witnesses we will hear today appeared on a recorded program of the Cable News Network last night. In their appearances they alleged that a variety of corrupt practices occurred at projects worked by members of local 406 of the operating engineers. These included allegations that workers were hired who were unqualified for the work to which they were assigned: that workers were hired who did not work, but rather played cards, watched television, or even in one case listened to a rock concert which was occurring not far from the job site. They alleged that work progress was sabotaged in order to increase the length of jobs, and of course, therefore, their ultimate cost. It has also been alleged that the union engaged in intimidation of rank and file workers for failure to cooperate.

If even a small part of what these witnesses will allege is true it constitutes a real tragedy for the rank and file workers involved who do not want to participate in this kind of activity, for the companies involved who must incur costs substantially in excess of what they should have to pay, and ultimately, of course, for the American consumer, who in many cases pays higher prices as a consequence of these corrupt practices.

Mr. Chairman, I am pleased that it appears that the Federal Bureau of Investigation will actively look into this case. I would also like to note that I have introduced legislation to amend the Hobbs Act to allow the Federal Government to look into instances of union violence and intimidation in situations in which, for whatever reason, State and local officials are not able to act.

I hope that these hearing will help us make some progress in counteracting the kinds of activities on the part of corrupt union locals.

The CHAIRMAN. Mr. Tynes, we will turn to you. We had better swear you in.

Do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TYNES. I do.

The CHAIRMAN. Go ahead. Please proceed.

STATEMENT OF MAURICE TYNES, ATTORNEY, LEVINGSTON, TYNES, LILES & MILAM, LAKE CHARLES, LA

Mr. TYNES. Thank you, Senator Hatch.

Once again, we wish to thank you and the committee for helping the citizens of southwest Louisiana clean up their terrible labor problems and fully develop their available human resources. Exposure of these matters by this committee through its public hearings has proven to be highly effective in handling the problem so far.

What we are going to see today is another ugly head of a many-headed monster. The monster in question is the corrupt business agent.

In February, in this public forum, as you have said, we saw numerous examples of corrupt activities and abuses involving the operation of the hiring hall of Operating Engineers Local Union 406 in Lake Charles, LA, by Willard Carlock and others. Since then Mr. Carlock has announced a temporary leave of absence. Because it is not permanent, however, and because the other principal leaders remain in office, we are still deeply concerned over the right and the future of that union, especially as it relates to the future of southwest Louisiana.

Today, hopefully, we will focus on corrupt activities and abuses in the workplace in southwest Louisiana, and in particular on the project in question now, which is the Gulf States Utilities coal plant known as Nelson Station outside Lake Charles, LA. The project there converted the huge electric generating facility from natural gas to coal power, pursuant to Federal Energy Act requirements. It involved thousands of workers and many millions of dollars.

The prime contractor was Bechtel Corp., an international firm that has supplied several executives and Cabinet officers in this administration. Many subcontractors were on the job, including Pullman-Torkelson Co. of Salt Lake City. Their section of the project will be of primary concern today. It involved construction of huge coal storage and handling facilities. As an example of the scope of the facility, a typical coal train might bring 350 carloads of coal from Montana or the coal source in just one trip for the unloading process.

It has become readily apparent that there can be no economic recovery in southwest Louisiana unless we achieve economic reform.

Corruption in the union halls must be stopped. Corruption and abuses in the workplace, especially on large construction projects, must be eliminated. Industrial reform must precede industrial recovery. Hopefully, exposure in this committee of industrial corruption will lead to this industrial reform we so badly need. Therefore, exposure of this situation will ultimately lead to the industrial recovery, and that is the real purpose of our being here today.

Human resources are plentiful in southwest Louisiana, but the supply now far outstrips the demand, which equals economic misery for our people.

The corrupt activities on the coal plant project, to be shown by these witnesses today, would never have reached such massive proportions were it not for the corrupt business agents involed, in particular, Willard Carlock of local 406.

It has been proven that the corrupt business agent can only sustain himself if he develops a group of lieutenants willing to follow his example and answer his commands without question. Like water, ethics and moral standards on a construction project tend naturally to seek a lower level. With a crooked business agent to push them lower, by design, the stage is set for what happened at the Nelson Station coal plant.

A worker who otherwise only is tempted to steal will actually steal if he knows his business agent is also a thief. A worker who otherwise only considers payroll fraud will actually commit this if he knows his business agent condones it and has a son who does it as well. There is always opportunity for wrongdoing, but it can be overlooked unless the business agent has a history of wrongdoing himself.

Industrial or jobsite wrongdoing among organized labor reached epidemic proportions on several large projects in southwest Louisiana in recent years. On the project to be discussed today, not necessarily unlike other such large projects of recent time, this wrongdoing consisted of

Widespread theft of tools, material, supplies, and equipment;

Sabotage of certain key elements of the work to extend and prolong the job, as well as to punish the contractor;

Payroll fraud such as "ghosting," unnecessary and excessive overtime, secret absenteeism, sleeping, drinking, prostitution, gambling, and whatever;

Overmanning and featherbedding in some cases was at least as high as 100 percent.

Mr. Carlock himself condoned all of the above and had a part personally in some cases. For example, you will see evidence that he requested and received stolen goods from that job. He protected, by threatened job action, the jobs of those who were caught doing wrong. The Operating Engineers maintained a small building, in which booze, playing cards, women, television, food and other comforts of home were made available to the favored members on the job, but the windows were painted over and supervisory personnel who tried to enter were threatened.

In job-connected wrongdoing, Mr. Carlock continued to pick up money from his union members, in exchange for overtime or other favorable job assignments on this project. The money was collected by his son and others and his usual favored cronies. In fact, his son procured the costly sabotage of the brine system. You will hear evidence of Mr. Carlock's conflict of interest concerning his own heavy equipment rented to the project, which was inoperative on arrival, but repaired at great expense to the project, as well as exorbitant rental rates paid for this equipment.

The ultimate cost of this portion of the project went from $11 million to upward of $37 million, but Willard Carlock was not by himself in causing this. Material from this project found its way to Mr. Ronnie Cannon, the carpenters' union business agent, who was building a new home. Mr. Cannon has just resigned from his post following a lawsuit I filed against him for hiring hall abuse and other wrongdoing, the suit having been brought by some of his own union officers and members. One of Mr. Cannon's loyal members, Robbie Carlisle, was terminated from the project as a supervisory person, but not before he had removed or destroyed all records in his office, in an obvious attempt to cover his tracks. Mr. Carlisle, who is a member of the carpenters' union, was in position to divert much material destined for the job to his own personal use, and this he did.

Organized labor simply seized the opportunity to run over management, but management personnel, in some cases, were guilty of thefts themselves and other wrongdoing. In addition, there was gross mismanagement in some situations. Opportunism ran rampant. Morality, productivity, ethics, and all the things organized labor says it stands for disappeared.

It is tragic and disappointing to know that grown men and women, if the opportunity is there, will absolutely stop at nothing to enrich themselves in the workplace by theft, payroll fraud, and extortion.

It is as tragic to know that it is done in a manner which harms not only the honest, hard-working union member, but the entire community at large. Industrial inducement will never succeed in our area if that coal plant is a sample of performance of our local workers, led by our local labor leaders.

Southwest Louisiana wants Willard Carlock and Ronnie Cannon, their lieutenants, and others like them, out of the labor movement and away from the industrial scene. If the public can learn of their negative impact on the economic well-being of their community, through this hearing, perhaps we can truly reform the approach to industrial performance and achieve the prosperity otherwise deserved.

As a final point, I would like to note that, although much of the cost overruns were absorbed by the contractor, there were substantial extra administrative and other costs to the utility company just because of the prolongation of the job. These, of course, have been and are being absorbed by the energy consumers. Therefore, every time a light is switched on in southwest Louisiana, that person ought to encourage labor and economic reform, and say thanks to this committee and you, Senator, for aiding our economic recovery.

With your permission, I would like to submit a sworn statement of a witness who is not present. Her name is Beverly Edwards. I think I have supplied that statement to Mr. Phillips as Tynes exhibit 1 for the record.

The **Chairman**. Without objection, we will place it in the record.

[The prepared statement of Mr. Tynes and the witnesses statement follow:]

STATEMENT BEFORE
U. S. SENATE COMMITTEE
ON
LABOR AND HUMAN RESOURCES

HEARING - MAY 22, 1984

THANK YOU, SENATOR HATCH:

Once again, we wish to thank you and the Committee for helping the citizens of Southwest Louisiana clean up their terrible labor problems and fully develop their available human resources. Exposure of these matters by this Committee through its public hearings has proven to be highly effective in handling the problem.

What we're going to see today is another ugly head of a many-headed monster. The monster is the corrupt business agent.

In February, in this public forum, we saw numerous examples of corrupt activities and abuses involving the operation of the hiring hall of Operating Engineers Local Union 406 in Lake Charles, Louisiana by Willard Carlock and others. Since then Mr. Carlock has taken a temporary leave of absence. Because it is not permanent, and because the other principal leaders remain in office, we remain deeply concerned over the right and future of its members; especially as it relates to the future of Southwest Louisiana.

Today we will focus on corrupt activities and abuses in the workplace. The project in question is the Gulf States Utilities Co. Coal Plant, known as Nelson Station, outside Lake Charles, La. The project converted the huge electric generating facility from natural gas to coal power, pursuant to Federal Energy Act requirements. It involved thousands of workers and many millions of dollars.

The prime contractor was Bechtel Corporation, an international firm that has supplied several executives and Cabinet officers in this Administration. Many sub-contractors were on the job, including Pullman-Torkelson, Inc., of Salt Lake City. Their section of the project will be of primary concern today. It involved construction of huge coal storage and handling facilities. As an example of the scope of the facility, a coal train brings 350 carloads of coal from Montana in just one trip for unloading.

It has become readily apparent that there can be no economic recovery in Southwest Louisiana unless we achieve economic reform. Corruption in the union halls must be stopped. Corruption and abuses in the workplace, especially on large construction projects, must be eliminated. Industrial reform must precede industrial recovery. Hopefully, exposure of industrial corruption will lead to industrial reform. Thus, exposure of this situation will ultimately lead to industrial recovery, and that is the purpose of our hearing today. Human resources are plentiful in Southwest Louisiana, but the supply now far outstrips the demand, which equals economic misery for our people.

The corrupt activities on the coal plant project, to be shown by these witnesses today, would never have reached such massive proportions were it not for the corrupt business agents involved; in particular, Willard Carlock of Local 406.

It's been proven that the corrupt business agent can only sustain himself if he develops a group of lieutenants willing to follow his example and answer his commands without question. Like water, ethics and moral standards on a construction project tend naturally to seek a lower level. With a crooked business agent to push them lower, by design, the stage is set for what happened at the Nelson Station Coal Plant.

A worker who otherwise only is tempted to steal will actually steal if he knows his business agent is also a thief. A worker who otherwise only considers payroll fraud will actually commit this if he knows his business agent condones it and has a son who does it as well. There is always opportunity for wrongdoing, but it can be passed by, unless the business agent has a history of wrongdoing himself.

Industrial, or job-site wrongdoing among organized labor, reached epidemic proportions on several large projects in Southwest Louisiana in recent years. On the project to be discussed today, this wrongdoing consisted of:

A. Widespread theft of tools, material, supplies and equipment.

B. Sabotage of certain key elements of the work to extend and prolong the job, as well as to punish the contractor.

C. Payroll fraud such as "ghosting", unnecessary and excessive overtime, secret absenteeism, sleeping, drinking, gambling, etc.

D. Overmanning and featherbedding, in some cases as high as 100%.

Mr. Carlock himself condoned all of the above and had a part personally in some cases. For example, he requested and received stolen goods from that job. He protected, by threatened job action, the jobs of those who were caught doing wrong. The Operating Engineers maintained a small building, in which booze, playing cards, women, television, food and other comforts of home were made available to the favored members on the job. But the windows were painted over and supervisory personnel who tried to enter were threatened.

In job-connected wrongdoing, Mr. Carlock continued to pick up money from his union members, in exchange for overtime or other favorable job assignments on this project. The money was collected by his son and his usual favored cronies. In fact, his son procured the sabotage of the brine system. You will hear evidence of Mr. Carlock's conflict of interest concerning heavy equipment rented to the project, which was inoperative, but repaired at great expense to the project, as well as exorbitant rental rates paid for the equipment.

The ultimate cost of this portion of the project went from $11 million to $37 million. But Willard Carlock was not by himself. Material from this project found its way to Mr. Ronnie Cannon, the Carpenter's Union business agent, who was building a new home. Mr. Cannon has just resigned from his post, following a lawsuit against him for hiring hall abuse and other wrongdoing. One of Mr. Cannon's loyal members, Robbie Carlisle, was terminated from the project, but not before he had removed or destroyed all records in his office, in an obvious attempt to cover his tracks. Mr.

Carlisle was in position to divert much material destined for the job, to his own personal use and this he did.

Organized labor simply seized the opportunity to run over management and this they did. But management personnel, in some cases, were guilty of thefts and other wrongdoing. In addition, there was gross mismanagement in some situations. Opportunism ran rampant. Morality, productivity, ethics, and all the things organized labor says it stands for, disappeared.

It's tragic and disappointing to know that grown men and women, if the opportunity is there, will absolutely stop at nothing to enrich themselves by theft, payroll fraud, and extortion.

It's as tragic to know that it is done in a manner which harms not only the honest, hard working Union member, but the entire community at large. Industrial inducement will never succeed if that coal plant is a sample of performance of our local workers, led by our local labor leaders.

Southwest Louisiana wants Willard Carlock and Ronnie Cannon, their lieutenants, and others like them, out of the labor movement and away from the industrial scene. If the public can learn of their negative impact on the economic well-being of their community, through this hearing, perhaps we can truly reform the approach to industrial performance and achieve the prosperity otherwise deserved.

As a final point, it should be noted that although much of the cost overruns were absorbed by the contractor, there was substantial extra cost to the utility company. These of course are being absorbed by the energy consumers.

Therefore, every time a light is switched on in Southwest Louisiana, that person ought to encourage labor and economic reform, and say thanks to you for aiding economic recovery.

THANK YOU!

ADDENDUM TO MAURICE TYNES'S STATEMENT

MR. CHAIRMAN, WITH YOUR PERMISSION I WOULD LIKE TO SUBMIT A SWORN STATEMENT OF A WITNESS WHO IS NOT PRESENT. HER NAME IS BEVERLY EDWARDS.

MS. EDWARD HAS KNOWN WILLARD CARLOCK FOR MANY YEARS. SHE WAS LIVING WITH HIM DURING THE PLANNING BY CARLOCK AND OTHER LABOR LEADERS OF THE ELLENDER BRIDGE AND JUPITER INCIDENTS, MENTIONED IN THE PREVIOUS HEARING. THESE INCIDENTS INVOLVED MASS VIOLENCE AND THE MURDER OF A SECURITY GUARD. SINCE THESE INCIDENTS, SHE HAS MAINTAINED CONTACT WITH HIM.

SHE HAS NEVER BEEN A UNION MEMBER; NEVERTHELESS, AFTER SHE MOVED AWAY FROM CARLOCK, HE SHOWED UP WITH A JOB REFERRAL FOR HER, WHICH SHE PICKED UP AT HIS HOUSE. SHE, THEREAFTER, HAD HER CHOICE OF JOB REFERRALS, AND ON NUMEROUS OCCASIONS, SLEPT WITH CARLOCK, ACCORDING TO HER STATEMENT.

MS. EDWARDS WORKED ON THE COAL PLANT PROJECT FOR ONLY THREE WEEKS. DURING THAT SHORT TIME SHE OBSERVED THEFT BY WORKERS; SHE OBSERVED WORKERS SNEAKING AWAY FROM THE JOB, BUT GETTING PAID, AND SHE HERSELF ROUTINELY WORKED NO MORE THAN FOUR HOURS OF HER EIGHT

HOUR SHIFT, BUT GOT PAID AS ROUTINELY, FOR EIGHT HOURS. OF COURSE, SHE OBSERVED FEATHERBEDDING AND OVERMANNING.

DURING HER YEARS OF KNOWING CARLOCK, SHE OBSERVED HIM RECEIVING STOLEN PROPERTY FROM VARIOUS INDUSTRIAL PROJECTS. IN FACT, HE JUST RECENTLY BOUGHT A STOLEN BACKHOE FROM CALIFORNIA. MS. EDWARDS STATES THAT CARLOCK OWNED AND OPERATED HEAVY EQUIPMENT, WHICH IS IN DIRECT VIOLATION OF CIVIL CONFLICT OF INTEREST LAWS AND CRIMINAL LAWS.

MS. EDWARDS HAS MUCH MORE INFORMATION CONCERNING MR. CARLOCK, NOT IN HER STATEMENT, DUE TO TIME CONSTRAINTS. IT IS PLAIN THAT FOR YEARS, FROM HER DIRECT KNOWLEDGE, MR. CARLOCK HAS FOLLOWED A PATTERN OF PERSONAL CORRUPTION AND HAS ACTED TO LEAD CERTAIN ELEMENTS OF HIS UNION INTO SERIOUS CORRUPT ACTIVITIES AND ABUSES IN THE WORKPLACE. AS A FINAL IRONY, MR. CARLOCK HAS LONG PROMISED HER A UNION BOOK, BUT NOW IT APPEARS HE HAS MADE POSSESSION OF UNION MEMBERSHIP IN SOUTHWEST LOUISIANA ABSOLUTELY WORTHLESS.

STATE OF LOUISIANA
PARISH OF CALCASIEU

BEFORE ME, the undersigned authority, personally came and appeared:

JAMES LEE LEDOUX

who, after being duly sworn, deposed and declared that:

On April 30, 1984, at 330 Alamo Street, Lake Charles, Louisiana, he was engaged in a conversation with Maurice L. Tynes, Jim Phillips and David Rawlings, which conversation was tape recorded; the tape recording has been reduced to writing, he has read the written transcription and that all information contained therein is true and correct to the best of his knowledge, information and belief.

James L Do
JAMES LEE LEDOUX

SWORN TO AND SUBSCRIBED Before Me, Notary Public, on this 17th day of may, 1984, at Lake Charles, Louisiana.

Patricia A. Louaillier
NOTARY PUBLIC

Mr. **Tynes**. I would like, in just a couple comments, to summarize her statement for the record.

Ms. Edwards has know Willard Carlock for many years. She was living with him during the planning by Carlock and other labor leaders of the Ellender Bridge and Jupiter incidents mentioned in the previous hearing. These incidents involved mass violence and the murder of a security guard. Since these incidents, she has maintained contact with Mr. Carlock.

She has never been a union member; nevertheless, after she moved away from Mr. Carlock, he showed up with a job referral for her, which she picked up at his house. She, thereafter, had her choice of job referrals, and on numerous occasions slept with Mr. Carlock, according to her statement.

Ms. Edwards worked on the coal plant project for 3 weeks. During that short time she observed theft by workers; workers sneaking away from the job but getting paid; and she herself routinely worked no more than 4 hours of her 8-hour shift but got paid, as routinely, for 8 hours. Of course, she observed featherbedding and overmanning on the job.

During her years of knowing Carlock, she observed him receiving stolen property from various industrial projects. In fact, he just recently bought a stolen backhoe from California. Ms. Edwards states that Carlock owned and operated heavy equipment, which is in direct violation of civil conflict-of-interest laws dealing with labor-management situations and criminal laws as well.

Ms. Edwards has much more information concerning Mr. Carlock, not in her statement, due to time constraints. It is plain that for years, from her direct knowledge, Mr. Carlock has followed a pattern of personal corruption and has acted to lead certain elements of his union into serious corrupt activities and abuses in the workplace.

As a final irony, Mr. Carlock has long promised her a union book, but now it appears he has made possession of union membership in southwest Louisiana, by not only members of his union but others as well, absolutely worthless.

Hopefully, as a result of this hearing and your efforts, in the future economic prosperity will return to our State and union membership will once again be a source of pride.

We thank you.

The **Chairman**. Thank you, Mr. Tynes.

Let me just read one little segment of the statement of Beverly Edwards which you took and which we have put into the record.

You say; "Now while you have continued, then, to work out of the union, did you continue to have a relationship with Willard beyond just getting referrals like you described, and making love with him, seeing him?"

Her answer was; "Yeah, if he wanted to see me, I mean I had to be there. That's for sure. And then he started on the pitch about my daughter."

You asked; "Wanted to make love with your daughter?"

She said; "My daughter."

You said; "How old is she?"

She said; "Let me see. She's 20 now. I think she was about 15 or 16, and I told him if he fooled with that girl, I'd kill him."

You said; "And you meant that, didn't you?"

She said; "I still mean it."

You said; "I want to get back to that part about your daughter in a minute, but in the meantime, was the situation such that you were having relations in return for these referrals or were you having relations just simply because you wanted to?"

She said; "Let me put it this way: I didn't get a referral if I didn't do what I was told to do."

And you said; "And doing what you were told to do included going to bed with him?"

And she said; "That's right."

You said; "And the referrals you were getting were more desirable maybe than other referrals? Do you know?"

And she said; "I picked my jobs."

That's correct?

Mr. TYNES. That's correct. I remember her saying such as you read.

The CHAIRMAN. Without objection, Mr. Tynes, we will place the entire Edwards affidavit in the record as Tynes exhibit No. 1.

[Tynes exhibit No. 1 follows:]

Tynes Exhibit No. 1

STATE OF LOUISIANA

PARISH OF CALCASIEU

BEFORE ME, the undersigned authority, personally came and appeared:

BEVERLY EDWARDS

who, after being duly sworn, deposed and declared that:

On May 2, 1984, at 330 Alamo Street, Lake Charles, Louisiana, she was engaged in a conversation with Maurice L. Tynes, David Rawlings, and Frank Vaughn, which conversation was tape recorded; the tape recording has been reduced to writing, she has read the written transcription and that all information contained therein is true and correct to the best of her knowledge, information and belief.

Beverly Edwards
BEVERLY EDWARDS

SWORN TO AND SUBSCRIBED Before Me, Notary Public, on this 18th day of MAY, 1984, at Lake Charles, Louisiana.

Maurice L. Tynes
NOTARY PUBLIC

TRANSCRIPT OF STATEMENT OF

BEVERLY EDWARDS

MAY 2, 1984

MAY 2, 1984
330 ALAMO STREET
LAKE CHARLES, LOUISIANA

PRESENT: Maurice L. Tynes
David Rawlings
Frank Vaughn
Beverly Edwards

MT: We are in my office in Lake Charles. Present with me is David Rawlings of the Senate Committee on Labor and Human Resources, Frank Vaughn from the Louisiana State Police Intelligence Unit, and Beverly Edwards. Mrs. Edwards, do I have your permission to run the tape recorder while we are talking?

BE: Yes sir.

MT: And as I've told you before, I'll have to leave the meeting in a few minutes on a personal emergency. Anytime you want to stop the tape recording or stop the interview, I want you to feel free to do that. I've told you that the tape recording will be held in confidence until we get your permission to release the information. The information is being requested of you for the purposes of the Senate investigation as well as for purposes of litigation pending now against Willard Carlock and Local 406. Do you understand that?

BE: Yes sir.

MT: In the event the tape is stopped or has to be flipped over, we'll identify that as we come to it in the tape. At any time you can ask questions and feel free to say whatever you want to and condition it however you want to. We're not here to involve you in anything that would be undesirable from your viewpoint and you are talking on a voluntary basis. Is that so?

BE: Yes sir.

MT: O.K. David, why don't you then initiate the interview and at some point in a few minutes, I'll just step out.

DR: O.K. Beverly, Maurice had mentioned that you were assigned to the power house job, is that correct?

BE: Yes sir.

DR: Who, what contractor was it that you were working under at the time?

BE: Bechtel.

DR: Bechtel was the prime contractor?

BE: I guess so.

DR: O.K. When is it that you were assigned to Bechtel project?

BE: It was in January, three years ago.

DR: '81?

BE: '81.

DR: The project had already started then?

BE: Oh, yeah. I was on another job. See, I was working for Graver Tanks during the day out at, behind Cities Service. And I'd leave Cities Service, behind Cities Service, rather, for Graver Tanks, and go to the power house.

DR: So you were working two jobs at one time?

BE: Yes sir.

DR: Were you working 8 hours on each job or how long were you working, or were you actually physically at both jobs at one time?

BE: I was working two 8 hour jobs.

DR: What position of responsibility did you have at Bechtel?

BE: I was a unit operator at Bechtel.

DR: And what did your responsibilities include?

BE: Taking care of the air compressors, now the unit, the operator that was on the elevator, if something happened to him I took the elevator. I was really out there as a replacement for Linda Young. Linda Young was on vacation. And uh...

DR: So you were just filling in for Linda, or temporarily?

BE: I replaced her but whenever she came back they didn't lay me off. I stayed out there. As a matter of fact, I drug up from Bechtel.

DR: You mentioned that you were working two jobs. Were there other operators that were sitting on the bench while you were working two jobs?

BE: I have no idea.

DR: You never signed an out of work list?

BE: I've never seen it.

DR: You've never seen an out of work list. You don't even know what one looks like then?

BE: I know what they look like but I've never signed one.

DR: Yet you were assigned to two different jobs.

BE: Yes sir.

DR. O.K. While you were with Bechtel, Beverly, were you ever in a position to see some labor activity that was not considered to be up and above board?

BE: You mean stealing?

DR: Whatever.

BE: Well, sure, everybody stole out there.

DR: What do you mean, everybody stole?

BE: Tools and stuff like that, you know.

DR: Just tools?

BE: We had one operator that would make a key to anything he wanted. And he got away with it.

DR: Be more specific, you said they stole tools, what other things did they steal?

BE: Lights, I don't know what kind of lights you'd call them...

MT: Quartz lights or mercury vapor lights?

BE: I think the vapor lights. I think that's it.

MT: They were for outdoor spot lighting and lighting of outdoor area?

BE: Yeah, yeah I believe that's what it was.

DR: Was there ever any machinery that was stolen, welding machines?

BE: I don't know.

DR: And who were the individuals involved in this...

BE: Terry Reeves, Slim Kemp.

DR: These were operators?

BE: Yes sir.

DR: Were there other members of other craft unions that were also involved in these schemes?

BE: I don't know because I stayed there in the operators shack, I did what I had to do. I went with them, you know, I'd go with them through the unit..I'd never been at the power house before. So they told me, you know, they'd say, well, come on, you know, we'll take you up, you know, like I said, I've never been in it before, and Slim had a key and everything, you know, people's tool boxes...

DR: So you have personal knowledge that these individuals were stealing from the jobsite then?

BE: Them two.

DR: Did you actually see them steal anything or....

BE: Well, sure, because they put some of it in my boots.

DR: Um huh, so you were in a sense, you were, you, they wanted you to walk out with some of this equipment?

BE: Yeah, but I didn't.

DR: What did you do?

BE: I just came down off the elevator with it, you know, and went to the shack. But I didn't take any of it out of the plant.

DR: But you knew what they were doing the entire time? And how long did this continue for?

BE: Well, I was out there for maybe 3 weeks, maybe 3 weeks and that was it. I think, if I'm not mistaken, I think there was a water pump that was taken, because you see, in the power house, it had a big hole cut in the fence, because I left out of there a lot of times early, you know, just go under the fence and get somebody else to drop my brass, and I think it was a new water pump, if I'm not mistaken...

DR: That was stolen?

BE: Uh, hum.

DR: Do you know the names of other individuals that were also involved in these theft schemes? You named those two.

BE: Well, that's the only two that I can remember.

DR: Were they stealing these things for their own personal use or for somebody else?

BE: I don't know. I know Willard's got a lot of stuff off the job.

DR: Then how did he obtain that stuff?

BE: They would bring it to him.

DR: Who's they?

BE: Just people who are tight with him, you know.

DR: His inner circle?

BE: Yeah, yeah. And then there was a big, tall black guy..

MT: Slim Wash? Howard "Slim" Wash?

BE: They called him Slim.

MT: Slim Wash was his name.

BE: Because I know he got a new....my alternator went out on my car and he got a new alternator from out there.

DR: For your car?

BE: For my car and he took it to Willard and Willard put it on the car.

DR: And how did you know that Willard got these supplies from the jobsite, did he personally tell you.....

BE: Because he told me.

DR: ...did others tell you, do you know the individuals involved in taking this stuff for Carlock?

BE: A few, you know, like Slim, the one..the black one, and then Slim Kemp.

DR: Ronnie Leger, Scimemi, Greer..

MT: Or Junior Carlock.

DR: Or Junior?

BE: I never worked on a job with Junior Carlock or Mike Greer.

DR: They worked for Torkleson during the same time?

BE: I think at that time Mike Greer was working for another company out in Continental someplace. J. A. Jones?

MT: Could be. And I think Mike was working two jobs, too. I think he was working nights on one.

BE: Mike was master mechanic. Well, Terry was working two jobs. Terry Reeves. He was working at Industrial during, in the day, because I was working at Industrial.

DR: Is he also involved in these theft schemes..Terry Reeves?

BE: Oh, yeah, because they laughed and talked about, you know, they'd take wheelbarrows and they'd push them down the railroad tracks, you know, you can take it through the railroad tracks down there.

DR: And there was some stealing from Bechtel? O.K., now, Beverly..

MT: Wait a minute. Your answer was yes so we can pick it up on the recorder?

BE: Yes.

DR: Beverly, you also mentioned that you had left the job early on various occasions, is that correct?

BE: Yeah.

DR: Explain to me how you would leave and for what purpose.

BE: Well, I just didn't want to stay, was the reason. And I'd go through the fence, go under the fence.

DR: Did anybody know that this is what you were doing or were you pretty discreet about it?

BE: No, you couldn't be because somebody had to drop your brass.

DR: And who would drop your brass?

BE: I got Terry to drop my brass before, I got Slim to drop my brass before and Slim Kemp.

DR: Was this a common practice or was this something that just happened once or twice?

BE: Yeah, sure. And Ronnie White, Ronnie White, he was the mechanic out there. He would drop my brass.

MT: Was Ronnie also known as Byman White? Or are those two different people?

BE: I don't know. Are you talking about Byron White?

MT: Or Byron White. Was there a Byron White?

BE: That's two different people. I think Byron was on the day shift. Ronnie was on the evening shift.

MT: Beverly, was it a common practice for a number of operators to leave the plant early or during a shift to go away from the job and then return, secretively?

BE: Oh, well sure, heck yeah. That wasn't nothing unusual.

MT: Now the railroad track you mentioned is the spur that the coal cars come out on, that crosses Anthony Ferry Road and comes into the plant?

BE: Uh, huh, yeah.

MT: And for a while that roadbed laid there with no tracks on it. Isn't that so?

BE: Yeah.

MT: And it was pretty easy to go up and down it with a vehicle or a wheelbarrow?

BE: A wheelbarrow is what they used.

DR: And that's how they would take goods out of the premises? Who were some of these other operators that were also leaving the jobsite early?

BE: Ronnie White, uh, if I can remember all of them that were out there.. Terry would, Slim would,..

MT: Would you say most of the operators out there did so?

BE: No, not most of them. Not most of them.

MT: Was it confined to the people that were more or less very friendly with Willard, Sr.?

BE: No, no, I wouldn't say that. The ones that could do it was the ones that, you know, that didn't...wasn't on heavy equipment. They were just on a truck or something like that, you know, then they could, because your master mechanic always knew they had for you to do. They knew who could stay and who would leave.

DR: Did Bechtel supervisors or those in management, were they aware of this practice going on, that people were slipping out early, and stealing and so forth?

BE: I don't know. I can't answer that. I wasn't out there that long, like I said, I was out there 3 weeks. I'm sure they wasn't though, if they would have knew it they would have docked us. Right after they fired us. Because they didn't want you leaving.

DR: When you and others would leave the jobsite early, would it be a matter of an hour or two, or would it be several hours..

BE: If I left I didn't come back.

DR: So you would be gone most of the day?

BE: I was on the night shift.

DR: Night shift. Well, most of your shift, what was it, an 8 hour shift, ...

BE: Uh, huh. I think they worked from 7:30 til 4, because I came on at 4.

DR: And how long would you most generally stay on the jobsite before leaving?

BE: Until it got dark.

DR: So it was a matter of an hour or two then?

BE: Well, I don't know. No, I don't think so because it might not get dark that early.

DR: Well, most of the shift.. you wouldn't be present to go most of the shift then.

BE: I was usually gone by 8:30.

DR: About 8:30? O.K. and that was the same with some of these others also then?

BE: Yeah.

DR: What other things could you tell us that were going on at the jobsite that you are aware of?

BE: Well, I really don't know, you know, I just..I mean, it's just been so long ago, you know, things just aren't quite familiar.

DR: Were you aware of anybody who was ghosting the payroll? People that were on the payroll but never even hit the jobsite except for maybe the exception of the first day?

BE: I don't know. I think I did.

DR: Well you would at least come to the jobsite for an hour or two but were there people that were on the payroll that never even showed up at all?

BE: Not that I know of. Like I said, you know, I stayed in the back and this was people who stayed in the front, you know, which...Ronnie Leger and J. J. Cooper..

DR: Let me ask you this. You mentioned that you were working two different jobs at the time, were you also aware of other people on the Bechtel job that were working also on other payrolls at the same time they were on Bechtel's payroll?

BE: Terry Reeves.

DR: And how many jobs was he working in addition to the Bechtel job?

BE: He was working Industrial and Bechtel.

DR: Was he on any other payrolls besides that?

BE: I don't know.

DR: Did he actually, physically show up to the other job?

BE: Terry had to.

DR: And did he also leave the jobsite early as he did with Bechtel?

BE: Sometimes.1 Sometimes.

DR: What about any others, are you aware of any others that were on other payrolls at the same time?

BE: No, not right now, I can't think of any.

MT: In Brass Alley, was there much observation as workers came through to drop their brass?

BE: Sometimes. Sometimes there was. I know I dropped brass for Terry and..

MT: So with a little slight of hand you could usually get away with it without too much difficulty, huh?

BE: Well, sure, because when they're all coming through, you know, you just them up on the table, you know.

DR: Let me ask you, were there times when people would actually leave the jobsite and never turn in their brass..they would leave for maybe three or four hours and do whatever they wanted to do and then come back and never..it would never be reported because they never returned their brass?

BE: Well, that's when they would go out the fence, they would never know they were even gone. I mean if I could get somebody to pay me for 3 hours, and I'd go under the fence and they would never even know I'm gone, well, that's what I'm going to do, you know. I wouldn't walk up there and hand in my brass and tell them I'm going out for a few hours.

MT: But I think he means as opposed to giving somebody your brass to drop for you, so that you were gonna be gone for the rest of the shift, you may come back because if you've got something to do with the tail-end of the shift, you might leave for say 4 hours, keep your brass, and then come back and drop it yourself..

BE: Sure. I kept mine one time, I just forgot to go back, you know.

DR: How closely associated were you with the Pullman-Torkelson job?

BE: I never worked on that job.

DR: You didn't know any of the happenings over on that job with the operators, as far as any theft, ghosting, or feather-bedding... ..none whatsoever?

BE: I never went on that job.

DR: Was the job being feather-bedded at Bechtel? Were there more employees than they actually needed?

BE: Well, sure, they had me and they didn't need me. Linda Young come back and we both still worked.

DR: But, were there several people on that payroll that they really didn't need?

BE: I don't know about the day shift.

DR: O.K., the night shift.

BE: The night shift, I think they needed what they had, you know, because your night shift's a little different than it is from the day shift. You don't have as many people on the night shift. You don't have as much work on the night shift. Especially with heavy equipment.

MT: You also have far less supervision on the night shift.

BE: A lot less.

MT: So, if a person wanted to engage in wrong-doing, that would be the shift to do it on.

BE: Oh, yeah, sure. I never even seen the superintendent for Bechtel on that job.

DR: Were you ever a witness or did you hear of any sabotage to any equipment on the jobsite?

BE: Yes.

DR: Could you explain what kind of equipment was being sabotaged and by who?

BE: Well, this here has been a few years ago..

DR: On the Bechtel job.

BE: No, not on the Bechtel job. I couldn't even tell you which job it was on. If I'm not mistaken, I think it was Augustein's job. Johnny Jenson had messed up some equipment. They had the...under the bridge over here..they had a barge or something over there working.. they had messed up some of the equipment over there. I think one of the Cal-Can houses was burnt down.

MT: That's a portable construction shack you're talking about that was burned?

BE: Uh, huh. Now Willard, Jr. was the one that done that.

MT: Back on the Bechtel job, and then we're going to go backwards to other jobs that you're familiar with, on the Bechtel job, did you hear any sabotage of equipment discussed that took place on the Bechtel job? Or on the Pullman-Torkleson area?

BE: Not on the Bechtel job. I didn't on the Bechtel job. But I can ... I know there was some on the other job but I can't remember who done it or what it was, but I did hear it talked.

DR: When you say the other job, what do you mean by the other job?

BE: I think it was Trucklines or Pullman-Kellogg whichever one. I know there was some done on..

MT: You're telling...on the power house job but not on the Bechtel portion, on the Pullman-Torkelson area?

BE: Yes sir.

MT: Did you hear about a brine line being drained in the big hole?

BE: No sir.

DR: Maurice had mentioned that you knew a little bit on Willard Carlock and his union activity involvement..could you tell us what you mean by that, what type of things was he engaged in, any illegal activity.

BE: Willard had to have had equipment. His equipment was working. But, he did not have the equipment in his name.

DR: Whose name did he have it in?

BE: Willard, Jr.

DR: Was this Catlow Construction Company?

BE: I don't know the name of it. I couldn't tell you. All I know is that he got..I think it was in Hackberry or some place..he had some equipment in Hackberry.

DR: You talking about Tri-Coast Construction Company? Garland...

BE: I think this here's with....no, Garland was just on the job down there then. Garland wasn't in the construction business at that time.

MT: Before we get into this, let me develop some foundation information here from you. When did you first become acquainted with Willard Carlock, Sr.?

BE: When he first took office.

MT: That would have been in about '74?

BE: '73...

MT: '73 or '74? O.K. Were you married then to a man named Felton Edwards?

BE: Yes, sir.

MT: Was he a member of the same union Carlock was the business agent of?

BE: Yes,sir.

MT: And was Felton working on a regular basis? At least as much as most other union hands?

BE: Yes, sir.

MT: O.K., would you briefly describe from the first time you became acquainted with Carlock through now, just briefly, and we'll go back and pick up some details, what your relationship was with Carlock.

BE: O.K. I lived with him. I lived with Willard for 2 or 3 years.

MT: Do you remember the years in particular?

BE: It was in '74...no, '75. It was in '75.

MT: That's when you began to live with him?

BE: Yes, sir.

MT: And then for 2 or 3 years thereafter?

BE: Yes, sir.

MT: Bringing us on up then through '77. Were you living with him during the Ellender Bridge and Jupiter incidents?

BE: Yeah.

MT: Before, during and after?

BE: Whenever his trial came up...that's when I left.

MT: That was on Ellender Bridge?

BE: Jupiter.

MT: Jupiter trial? And he had already been to trial on the Ellender Bridge incident by then with Scimemi and Davidson?

BE: Yeah.

MT: And that trial wound up in his acquittal, if you recall.

BE: Yep.

MT: O.K. And during the time that you were living with him, were you still married to Felton or had you all divorced?

BE: I was still married to Felton. I didn't get my divorce until '78.

MT: Did you resume living with Felton after you left Carlock?

BE: No.

MT: After moving away from Carlock did you remain associated with him through the union?

BE: Yes, I did. I went to work for 7-11, and..

MT: That's a convenient store chain?

BE: Yes. And I was going out with a man that I married after that. And my husband didn't want me working out of 406, and Willard had came to the store and told me, he said you're not making enough money working here, he said, why don't you, he said I've got a job in

Jennings, he said, go to work down there. He said take this referral and go to work.

MT: Now what time frame are we in, Beverly? What year, what time frame, would this be in the late '70's?

BE: Yeah.

MT: Like '79 maybe?

BE: It might.

MT: Was it a pipeline job in Jennings?

BE: No, it was a tank building job. I worked Webco Tanks. And, as a matter of fact, this here was the first job that I ever went on.

MT: You didn't go to work on jobs while you were living with Willard?

BE: No I didn't. No.

MT: Now during the time that you met Willard up until the time you went to the Webco job, including when you were living with him, was Felton still a union member?

BE: Yes he was.

MT: And he was being referred on a more or less routine basis?

BE: Yes he was. He worked...

MT: He worked when he wanted to?

BE: He worked when he wanted to really.

MT: Sometimes he didn't care to work so he just turned the referral down, in other words?

BE: Well, Felton wouldn't turn a referral down, you know, uh...

MT: Well then do you mean that he would just not actively seek work?

BE: No. No, he wouldn't. The only time Felton wanted to work was when he got down low enough that he just about had to because Willard he was paying all of my bills.

MT: Felton was?

BE: No.

MT: Willard?

BE: Willard was. The only thing Felton had to take care of was himself because I had the kids.

MT: Allright, now when you say you were living with Willard, were you actually..were you staying with Felton part of the time and Willard part of the time, or did you actually move out...

BE: No, Felton kept the kids during the..he didn't keep them..they would go to his house after they got out of school because I did not take my kids out of school in Westlake. In the evenings when they got out of school they went to their Daddy's house. I'd go pick the kids up at their Daddy's house, I mean there wasn't no half and half of nothing. I wouldn't live with Felton. He had kept them, you know, he'd keep them a couple of days if he wanted to, he wasn't ever kept away from his kids. But as far as me staying there, no, you know, I didn't stay there. And I lived with Willard Carlock.

MT: So Felton only had his only personal needs to be concerned about and he didn't need to work hard and full time.....

BE: No.

MT: ...to manage that.

BE: No. No.

MT: So when he'd get broke he's go work a short time and then he would live off of that for awhile and then he'd go back and work a short time, etc. In the meantime your expenses and your kids, too, I assume, were being taken care of by Willard.

BE: Yes they were.

MT: And you weren't working, you were just housekeeping?

BE: That's it. I didn't work.

MT: Working in the home but not out the home?

BE: That's right.

MT: While you were working...excuse me, living with him, were you all living in Sulphur in the trailer with him?

BE: Yes sir.

MT: On Mackey Street?

BE: No sir.

MT: Where was the trailer?

BE: On Ruth Street.

MT: O.K. Getting back now to Webco Tank job, you got your referral while you were at the 7-11 Store or at home?

BE: Yes sir.

MT: There on the job?

BE: No, I didn't get it there in the store, I went to his house and picked it up.

MT: O.K. At that point in time, did he indicate to you that you could have a union membership or how would that be handled?

BE: Well, at that time he didn't indicate nothing, you know, nothing at all.

MT: He said here's a referral, go to work.

BE: Yeah.

MT: Now from the time you left him until then were you all in a situation where he was trying to get you to move back with him or resume your relationship with him?

BE: Yeah, he did, he did.

MT: So when you left it was on your own accord and he would just as soon you stayed with him when you left, is that correct?

BE: Right.

MT: Allright. Did the referral to you constitute an effort on his part to resume relationships, do you think? To get back in good with you?

BE: I think so. I really believe so. Like I said, I made the job in Jennings and I got off from that job and I went to Big Three for Nichols.

MT: This was on the Hackberry Highway out of Sulphur?

BE: Uh, huh. And...

MT: Then again you got a referral without having any connection with the union?

BE: Well he signed it.

MT: Well, by that I mean you didn't have a membership, you didn't have a permit, that you know of, or anything like that?

BE: No.

MT: You weren't an apprentice?

BE: No sir. And I'd ask him about it, you know, I talked to him about it, you know, tried to get my book, and at that time there wasn't many women that had a book, you know, so I left it alone. And I did, I just left it alone, but then it wasn't too much longer after that Linda Young had a book. And I couldn't understand, you know, how she got it, he said, well you have to be, you know, a certain age in the apprentice program, and I said well she's older than I am. She's got a book. I mean it just didn't take nothing, you know, for Linda to get her book. And then I kicked a fit about that, you know, because I wanted my book and he told me, he said well, he said just let things go for a little while like it is and he said you'll get your book, don't worry, well, I never did.

MT: To this date you've never gotten a book?

BE: No.

MT: Never got an apprenticeship application.....

BE: No.

MT: ...accepted or anything like that?

BE: No, because there was a certain age.

DR: Yet you worked steadily for 3 or 4 years.....

BE: Yes, I did.......

DR: ...without ever having to sign the out of work list?

BE: ...they tried to have me fired off of a job..

DR: But you never signed the out of work list, you were never shown the out of work list..

BE: No. I've been in the office a thousand times, you know, because he'd go at night to fill referrals, you know, and stuff like that. And I wrote several referrals out myself, you know.

DR: To yourself or to other people, or...

BE: No, I didn't write...I don't think I ever wrote my own out, it's possible I could've...

MT: If you had wanted to you could have and he wouldn't have cared.

BE: Well, sure.

MT: In the time frame now from Webco to the Big Three job, we're talking '79 and '80? Right in there?

BE: I think it'd be '78. Because that was the year that I had been married and my husband, he wasn't making a lot of money and I was supposed to have went to work at Olin, yeah, it was Olin...

MT: ....side two and again, it's with your permission to record this?

BE: Yes sir.

MT: Thank you. In the time frame, then, from '78 on up until sometime ago, you worked more or less steadily out of the union under 406 auspices and during that time your second husband or the husband you married after Felton, objected to your working out of the union?

BE: Yes he did because he didn't like Willard.

MT: He realized that you had once lived with him and that there was an effort on Willard's part to get you back?

BE: Yes sir. Well he jumped on my husband.

MT: Willard jumped on your husband?

BE: At his house.

MT: At who's house?

BE: At Willard's house. I had went to..and I didn't even know anything about it until I got home. I didn't know nothing about it. I went to pick up my referral at his house, this was for Laymo job and anyhow, whenever I got home my husband asked me where I was at and naturally I lied to him, I wasn't going to tell him, and, uh, the phone rang and I answered it and it was Willard and he said, uh, have you talked to your husband yet? I turned around, you know, and I looked, I said well, no, not really, you know. He said well, he said I didn't want to upset you while you were here, but he said while you were in the back room I heard some noise out by the.. in front of the trailer, he said I walked out and it was him and he had hit my husband and my husband told me that he did hit him and he hit him with a pistol. Like I said, you know, I didn't even know nothing about this while I was at Willard's house, I didn't know nothing about it until I got home. So my husband left and I haven't seen him since.

MT: Allright, now, the next question is, what were you doing in the back room? As opposed to being in the front room, where Willard saw your husband, or heard your husband, you don't have to answer it if you don't want to, but that question is going to come up.

BE: Well, I don't know, there ain't no need in lying about it. I was probably in bed with him. I could have been in the bathroom. I don't know where I was at.......

MT: You were just in the back...but the point is it would not be unusual...

BE: ...it's a little trailer, you know..

MT: ....for you to be in the back end of the trailer and you were still..

BE: No, not at all.

MT: ...you were still having relations with Willard....

BE: Yes I was.

MT: ...and he was still giving you referrals from his house and other than making you sign up at the hall on the out of work list, and so on.

BE: That's right.

MT: And you were getting whatever referral you were wanting to get, basically?

BE: If I wanted a job and I knew it was there, I got it.

MT: Yeah, that's what I mean. If you made a choice he would o.k. it?

BE: Yes he would.

MT: O.K., so that husband then left on account of being hit by Willard by a pistol, but yet do you know if that husband knew, for a fact, that you and Willard had any sort of relationship beyond this getting of referrals or did he just simply suspect that?

BE: I don't know. I didn't talk to him much after that. Like I said, he left and I haven't seen him since.

MT: O.K. You had no children with him?

BE: No.

MT: And you have been remarried since?

BE: No.

MT: How long did your marriage last, less than a year?

BE: I think it was less than a month. No, it was a little longer than that, it was about 5 months. I'm still married to him, I haven't divorced him.

MT: There's no paper work through the Courts that you know of?

BE: No.

MT: Now, while you continued then to work out of the union, did you continue to have a relationship with Willard beyond just getting referrals like you described, making love with him, seeing him...

BE: Yeah, if he wanted to see me, I mean, I had to be there, that's for sure. And then he started on the pitch about my daughter.

MT: Wanted to make love with your daughter?

BE: My daughter.

MT: How old was she?

BE- Beverly Edwards
MT- Maurice Tynes

BE: Let me see, she's 20 now. I think she was about 15 or 16. And I told him if he fooled with that girl I'd kill him.

MT: And you meant that, didn't you?

BE: I still mean it.

MT: I want to get back to that part about your daughter in a minute, but in the meantime, was the situation such that you were having relations in return for these referrals, or were you having relations just simply because you wanted to....

BE: Let me put it this way. I didn't get a referral if I didn't do what I was told to do.

MT: And doing what you were told to do included going to bed with him?

BE: That's right.

MT: And the referrals you were getting were more desirable maybe than other referrals? Do you know?

BE: I picked my jobs.

MT: Were they mostly unit operator jobs?

BE: Yes.

MT: You never have become....

BE: Well, unit operator or, you know, tuggers, something that I didn't have to stay on the job all the time.

MT: You never did really get into the position of working heavy equipment or moving equipment, like pickers and so on, did you?

BE: Pickers, yeah.

MT: Pickers, I think, are about the easiest heavy equipment to work.

BE: Yes they are.

MT: You didn't get into the backhoes or cranes or anything like that?

BE: No.

MT: And on the picker jobs, were they what you'd call hard jobs, or did you maybe work 30 minutes, for example, out of a day, or something like that?

BE: At the most it would be, well, no, in Jennings, if I operated down there, Tommy didn't show up, well, then I done it. Either I done it, you know, or I'd let one of them boilermakers get on it and run it, cause, like I said, that's the first job I'd ever been on and they told me, they said you're an operator, you're gonna do the job. So, they taught me how to do it.

MT: But basically all your jobs were light duty stuff?

BE: Yeah.

MT: But as far as working with Willard in bed, it was heavy duty stuff? In other words, he...

BE: Yes. Yes.

MT: And was that a fairly frequent thing, was he very demanding of you on that score?

BE: Yes he was. Yes, he was. I don't think that maybe, you know, it was just, you know, because of him sending me to work, you know, or anything like that, I think, well, I lived with him and he cared a whole heck of a lot about me and I mean, after his wife died, I was the only woman that he went out with. And after I left him...

MT: As far as he was concerned, you were his woman, period. And he...

BE: That's right.

MT: ..he wanted you to exclude other men from your life, including the man you married, in fact.

BE: That's right.

MT: You know, this fellow that he hit with the pistol.

BE: Well, as a matter of fact, whenever I went for my divorce from Felton, because I already knew that I was going to remarry, he went to court and he wanted Felton to stop the divorce, to contest the divorce, and I told him he better not do that.

MT: Was Felton willing in return for getting some help out of the hall, himself, to job referrals, do you think?

BE: I don't know.

MT: But Felton didn't because you demanded that he not do it.

BE: Because after I left him, after I left Felton, I had very little to do with him, just....

MT: Just wrote him off?

BE: That's it, wrote him off.

MT: Now, while you were living with Willard, and then later when you were not living with him but still having relationships with him, on this foundation information still, during all that time, did he discuss much of the union business with you and did you go to the hall with him....

BE: The biggest part of it.

MT: Then you knew about his personal affairs, for example, you knew who his close friends were and the ones that were very tight with him..

BE: Yes sir.

MT: ..and then all this information included a lot of knowledge of wrongdoing on the part of Willard, from the standpoint of being outside rules and outside the law, etc., is that correct?

BE: Yes sir.

MT: O.k., that's the part we'd now like to get into, now that we've got the foundation of how you came to know the information and so on. And before we get into that that detailed, I want to, on a current basis, ask you when the last time was you talked with Willard?

BE: About a week ago.

MT: Was he attempting to influence or threaten or what?

BE: Well, no, it wasn't that. He came over to my house, I guess about a month ago, he came to my house, and he talked to me, you know, pretty regularly on the telephone about the things, you know, the investigation and all this stuff, of course he didn't seem very worried about it.

MT: Are you talking about the current investigation or the one that took place in '81?

BE: The one in Washington.

MT: O.K.

BE: And I guess what's going on now.

MT: Well, obviously he knows you're a potential witness because he knows you have information, much of what he's done in the past years. Has he mentioned.....

BE: Well, sure.

MT: ....the fact that you may be a potential witness? Or did he hint that you might be contacted?

BE: Well, I told...no, because whenever..I told him that I talked to the people in Washington, you know, I said there wasn't a lot that I could tell them, and he said well don't say nothing at all to them. So, I didn't.

MT: And the person in Washington was David Rawlings, the same person here, as far as you know?

BE: That's what he said. David Rawlings.

MT: It was by telephone?

BE: Yes sir.

MT: When these conversations were going on, were they mostly on a friendly basis between you and him?

BE: They've always been on a friendly basis.

MT: And did he get involved with your daughter eventually?

BE: No.

MT: Did he mention her recently in any way?

BE: No sir.

MT: Or any of your other children?

BE: No.

MT: Do you have any fear of Willard Carlock as it stands now?

BE: I don't fear Willard Carlock, I think more or less what I fear is his friends. No, I don't think Willard Carlock would try to hurt me at all.

MT: You feel like he cares too much for you personally to do that?

BE: Yes I do.

MT: But you're worried that some of the people close to him might try to play hero and do something on their own to harm you or your family?

BE: Well, sure.

MT: And that would be because they themselves know you have information that can be damaging to him?

BE: Of course they do. Take Mitch Young, Donald Lovett, and uh..

MT: And these people go back to the Jupiter incident as well....

BE: Yes sir.

MT: ...as later things?

BE: They had no idea at all, these people, that I was even in that place. But I was even in the trailer whenever..

MT: Conversations were taking place?

BE: The conversation took and it's just like sitting in this room here.

MT: O.K. Now for the record, Mitch Young used to be the business agent for the pipefitters union, correct?

BE: Right.

MT: And Donald Lovett was ~~the~~ an ~~next~~ ex business agent himself and he's...

BE: Yeah.

MT: ...the one that was convicted and did some time with Harlan Duhon.

BE: Yes.

MT: And Mitch Young also is the husband of Linda Young?

BE: Yes he is.

MT: Now do you feel that Linda Young's connection with the union relates to the fact that Mitch Young and Carlock were very much involved together in this Jupiter incident and that Carlock has taken care of Linda as a result of that?

BE: I'm not real sure about that, there was a lot of talk said about that, that Mitch gave up some work to the operators to get Linda a book. Now, I mean, that was just, you know, talk.

MT: Well, that would be more or less things that you could see because the person on the job, the operators and the pipefitters, could see work being done by one craft or another but many people on that job, or none of them, may not have realized the connection between Mitch Young and Willard as far as the Jupiter deal was concerned.

BE: There was a lot of people that did not realize a lot of the people involved in that.

MT: Right. So you're not only fearful of the people that are friends with Willard because of what they know about Willard, or what you would know about Willard, but what, in fact, you know about them?

BE: That's right.

MT: And they have no personal feelings toward you like Willard so they have no real motive to leave you alone, it's the other way.

BE: That's right.

MT: Well, let me tell you right now on the record and otherwise, if you get any idea that you're in danger, either from telephone threats or people bringing messages to you, if you see suspicious circumstances, I wish you'd let me know and I'll pass the information on, if I'm unavailable then call any authorities you care to, you obviously have a relationship with Mr. Vaughn so that you could call him if you need him and Mr. Rawlings would be available but he's far off, so Mr. Vaughn and myself could....

BE: It'd be hard for him to get here to help me.

MT: ...get something done a lot quicker plus we'd like to..if a pattern develops to these sort of things, we'd like to be able to record that and if its enough, we can get some things like a phone tap made so we can trace phone calls, get some people to watch you if necessary, and so on.

BE: Well, as long, you know, like I said, as long as this is confidential and he don't find out about it now, I ain't worried about it, you know, because he's not going to bother me.

MT: Fine. O.K., let's...I need to take off, but David, if you'd like to get some information, she's got a ton of it on what Willard's done. Mr. Rawlings is primarily interested in what's happened in say the last 3 years because the Senate Committee has decided that's sort of a cutoff, a informal cutoff date they want to use, there's a statute of limitations from the criminal prosecution part of it that goes back 5 years. What I interested in is showing a pattern that Willard has followed from back in the days of Jupiter that are still in effect, it's just not as open and above..open to view as it was...

BE: What do you mean, what part of the Jupiter?

MT: Well, the Jupiter incident itself, the planning of it and the part he played in it, of course, is of great interest but it won't do me much good at this point to know that much in detail as it will to work into this hiring hall discrimination and his ownership of equipment which would constitute a conflict of interest because a B.A. is not supposed to own heavy equipment.

BE: Well that's why it was in his son's name.

MT: Yeah. That's what more or less involved in the litigation at this point. I'm pretty familiar with those involved already in the Jupiter thing, I was a Jupiter defense attorney myself and I was representing an electrician in a case where Tracy Willard and Buddy Shay..eleven were tried at one time and I represented a defendant in the Ellender Bridge case that never did reach trial, so I'm familiar with Willard's activities pretty much, not like you could tell me, I sure, but, let's put it this way, I know enough to know he's guilty in both cases and I know of other people besides yourself that can establish that as well. So, let's, if David would be willing to do so while I'm going to have to go and I can talk to you later some more if you don't mind, in detail. He can get into what you know in the last 3, maybe up to a 5 year time period, just to show a pattern, of equipment ownership and operation, the way he has forced his equipment on jobs and hiring hall abuses and things like that, if you will. Whatever is of interest to you and I'll listen to the tape later and go back Beverly and get her, if she doesn't mind her time, to add some details for my use. And I want to tell you I appreciate...

DR: Maurice, do you want me to take these tapes with me or just leave them here, or what, what do you want to do?

MT: I'll have them transcribed and...

DR: O.K.

MT: ...we'll go from there if you want to. Beverly can read over them..

DR: O.K.

MT: ...then she can keep the tape and we'll keep the transcription.. Whatever she wants to do like that. Do you have any questions of me before I take off? I'm sorry I have to leave but I don't have any choice.

BE: I don't think so.

MT: At any time you and I talk, you know, well Mr. Vaughn is welcome is attend because I don't have anything I'm hiding from anybody at all. You and I have a good understanding, I think. O.K., see you Frank.

DR: See you, Maurice.

MT: Bye Beverly. Thank you very much.

BE: You're welcome.

DR: Beverly, earlier you had mentioned that Willard had an ownership interest in an equipment company and you said that that company was in Willard Carlock, Jr.'s name, is that correct?

BE: Uh, huh.

DR: Did he ever personally tell you that he owned this company?

BE: No, but he got the checks. I knew it was his.

DR: What do you mean, he got the checks?

BE: Well...

DR: Did he go pick the checks up or there were sent directly to him..

BE: His secretary usually took them.

DR: And who was his secretary?

BE: Her name was Beverly. Beverly Smith, if I'm not mistaken.

DR: When the checks...she generally picked up the checks then, is that correct?

BE: She cashed his checks for him.

DR: And when would this have been? Back in the late '70s?

BE: This was before the Jupiter..

DR: Does he still own this company? Is it still around?

BE: Well, the equipment and stuff that was in Willard Junior's name, whenever he and Jane divorced, Jane got some of that equipment. There wasn't no way he could prove that it was his, you know, I mean, he couldn't take it away from her because he...

DR: Did Willard ever tell you that this equipment that was in this company was actually his equipment?

BE: Sure. Yeah.

DR: What kind of equipment did he have?

BE: Backhoe, I think his brother, yeah, Winston, had came and got one of his welding machines, they was using a welding machine down on that Hackberry job, they rented a welding machine..

DR: D-8 dozers?

BE: He had a dozer, I remember the dozer. I don't know what size it was. Dozer, they all look the same to me.

DR: But anyway, the important point is he had told you that he..that this was his equipment, that he had...

BE: Yeah, because whenever his daughter-in-law, Jane was the..well, she's more like a spoilt brat, really, you known, and they gave her everything that she wanted and she was already calling and threatening, you known, threatening him that if he didn't give her this or that, you know, that she would keep the equipment and stuff. He had dump trucks and all kind of stuff over there. As a matter of fact, she's called over there at 5:00 in the morning telling him that if he didn't get that stuff off from her property, you know, it was really a big hassle all the time.

DR: Did he negotiate the lease contracts with various contractors or was it usually handled through Junior?

BE: I think that Willard handled some of that because I can..everything that he handled like that you know, they called at night and he'd talk to them. He had to run by the job during the day, you know. Sometimes it was mostly put on the jobs, you know, where they wasn't going to be too much bicker about it, you know, nobody would say anything. Willard always pretty well kept one of his men on the job to run the show. In other words, the master mechanic was one of his...

DR: Right hand man?

BE: That's right.

DR: What particular jobs did he use his equipment on?

BE: Mostly dirt work. Mostly dirt.

DR: Did he force the equipment on the contractor....

BE: I don't think so.

DR: ..or did they rent it voluntarily from him?

BE: I never heard of him having any trouble getting the equipment on the job, but at that time there was a lot of work, so it was, you know, you didn't hear a lot about it, you know, as long as there was plenty of work and everybody was working, everybody was happy.

DR: So you were never aware of him telling a contractor that if that particular contractor did not rent his equipment, then he would experience some problems on the jobsite?

BE: I never heard him so that to anyone.

DR: O.K. Beverly, within the last 3 years, are you aware of any activity that Willard was engaged in that could be considered possibly illegal, that would be of some use to the Committee? I know that a lot of this information we discussed is back in the late '70s and do we have..do you know of anything fairly recent that you could tell me?

BE: Are you talking about stolen equipment?

DR: Stolen equipment, harrassment, hiring hall abuse, or anything that.. let's start out with the stolen equipment.

BE: I know of stolen equipment.

DR: What type of equipment was stolen?

BE: The only thing that I, you know, found out was about the backhoe and the trailer.

DR: And who were they stolen from?

BE: If I'm not mistaken, I believe they told me that the backhoe came from California or Illinois, I'm not sure. The trailer either came from California or Illinois or the backhoe. I mean, they were picked up two different times.

DR: Off of job sites?

BE: I have no idea if it come off from the job, all I know was that it was stolen equipment.

DR: You don't know the name of the vendor then? You just know that it was from a particular state but you don't recall the name of the vendor, the owner of the equipment they stole it from?

BE: I don't know the name of the people they stole it from.

DR: And who stole this equipment?

BE: Charles Bergeron.

DR: He stole the equipment? And did he..

BE: Wait a minute. Let me rephrase that. He got paid the money for the equipment. Now whether or not he brought it here, I don't know.

DR: In other words, Willard Carlock asked him to...

BE: No. No. Willard didn't ask him nothing. I got a call from a lady. She wanted to talk to Willard. And I gave her Willard's telephone number. Then she asked me if Willard would be interested in a backhoe. A brand new backhoe. And I told her I said I don't know. I said you call him and ask him. So, she did. She called him and he went to her house, Willard went to her house, where they went and picked up $10,000 and they took the $10,000 to Charles Bergeron and he left.

DR: Willard was aware of the fact that the machinery had been stolen, that it was hot?

BE: Well, I knew it was and I'm sure that she told him that it was, too. Anytime you cut the tongue off of a trailer to get rid of the numbers on it, you know it's....

DR: That's a hot item.

BE: ..that's a hot item.

DR: Are you aware of any other thefts that took place?

BE: Well, I'd heard that he had picked up, through the same person, that he had picked up a dozer and I didn't ask 'um where it came from, I didn't ask no information about it.

DR: And this was..when? Recently, last year or two?

BE: Oh, this has been in the last year. Yeah, its been in the last year.

DR: Are there other instances that you are aware of going back 2 or 3 years..or you may have had operators take equipment off jobsites, or...

BE: Well, let me tell you something. There was a lot of the operators that took a lot of stuff off the jobs and they'd take it to Willard whether he wanted it or not, you know.

DR: And are these the people that we discussed earlier?

BE: Well, some of them were, but, then again, some of the people that has even filed suits against him, those are some of the worse to do it. They'd pick up stuff off the job and take it to him.

DR: Give me some names of people that..

BE: What was it..two weeks ago, Roddy and Craig Edwards filed a suit against Willard Carlock over an air conditioner. They gave him an air conditioner, a central unit, for a job referral. When...you see, what they didn't know is the air conditioner unit already belonged to Willard Carlock. He bought that for my trailer, you know. You see what I'm trying to tell you? People would take him stuff and sometimes he wasn't aware that they were bringing it, sometime he was, now, don't get me wrong, but sometime he wasn't.

DR: So in some cases then, he would ask them to take things from various jobsites for himself?

BE: Well, he'd tell them, you know, look around and see if you can find this or that, you know, but a lot of times he didn't. They would just bring it to him.

DR: And what would be the reason for bringing it to him?

BE: I really don't know. I don't unless they thought he would give them a job.

DR: Who are these individuals that you are talking about?

BE: Well, I just mentioned two. Roddy and Craig Edwards. My husband has taken stuff for him. Light plants (?) stuff like this, you know. Well, sure. I wouldn't be afraid to say that probably 70% of the operators over there has taken stuff off the job and brought it to him, whether he wanted it or not, you know.

DR: But in some cases he asked..he specifically asked them to pick up certain supplies or certain materials for his own benefit?

BE: I'm sure he has. Because I heard him over the telephone, you know, he's tell them well if you can find something, you know, or maybe a certain tool or something. Just like he called and told them to look around and see if they could find me an alternator out there for my car. They looked around and they found a brand new one, you know, they're laying around all over the place. I can't say he hasn't asked for stuff off the job because he has. But there's also been stuff taken off the job that he didn't ask for, but they brought it to him anyway.

DR: O.K., let's move on to hiring hall discrimination. You mentioned that you having lived with Carlock you had a very close relationship with him over a certain period of time. Even you yourself had never been required to sign the out of work list, that you worked whenever you wanted to and..Are you aware, Beverly, of other people in your same situation that were never required to sign the out of work list, or if they did sign the out of work list, were jumped on the out of work list?

DR: And this practice continues up until the present time?

BE: He went over and gave my husband a referral before.

DR: Is this practice still continuing today?

BE: I don't know. I haven't been up there. I don't see him or talk to him on the phone.

DR: Well, in the last 2 or 3 years, this was a common practice?

BE: Oh, well, sure. Yeah.

DR: O.K. Is there anything that we may have jumped over, may have missed that you could relate?

BE: I don't think.

DR: I think I've pretty well covered what I need to. Maurice may have a few things that he may want to cover with you, but he's a little more familiar with your situation than I am. I'm mostly concerned at this time about may have occurred on the power house job. And you pretty much, I think, told me what I need to know about that. So, thank you very much.

The CHAIRMAN. I have only one other question for you, Mr. Tynes. Have you or any of our other witnesses from the committee's February 28 hearing encountered any threats or ill treatment in the almost 3 months since your testimony was given before this committee?

Mr. TYNES. Senator Hatch, several of the witnesses were followed and then telephoned. Some were just simply telephoned repeatedly with threats and hang-up telephone calls, harassment during the night. My office was called with a threat. We have reported in all instances these threats to the local FBI agent, and they have died down since the immediate time after the hearing, which was when the threats and the following to work and to home, and so on, occurred.

Since the announcement of this hearing, in the last 2 or 3 weeks, the FBI activity in terms of interviewing witnesses and so on seems to have picked up in the area. It was moving slowly after the hearing, I think, which was natural because it takes a while to mobilize or remobilize their effort.

But we think we owe a thanks to the committee and to you for not only having the FBI get involved, but this hearing, I think, is causing them to speed along, and I think also is helping us with the threat and harassment situation.

The CHAIRMAN. Thank you so much, Mr. Tynes.

Mr. TYNES. Thank you.

The CHAIRMAN. I wonder if we could get the entire panel of witnesses to come to the table, if they would, and we will swear all of them at once.

[The witnesses were sworn by the chairman.]

Let's start with you, Mr. Lovett.

Mr. Lovett, would you begin by giving us a brief summary of your professional experience as an operating engineer?

STATEMENT OF CHARLES LOVETT, OPERATING ENGINEER, LOCAL 406, LAKE CHARLES, LA

Mr. LOVETT. Yes, sir. Senator Hatch, I have been a member, a productive member, of operating engineers for approximately 21 years.

The CHAIRMAN. Were you ever employed at the Gulf States Utilities Nelson generating plant at Westlake, LA?

Mr. LOVETT. Yes, sir, I was.

The CHAIRMAN. As I understand it, that was from November 21, 1978, to January 29, 1982. Am I correct?

Mr. LOVETT. That's correct.

The CHAIRMAN. What was your position on that job?

Mr. LOVETT. As a craftsman, I was a unit operator. As a union official, I was the project steward.

The CHAIRMAN. For Bechtel?

Mr. LOVETT. For Bechtel and all subcontractors.

The CHAIRMAN. So you were the job steward for Bechtel Power Corp., and, of course, that was the prime contractor on the job; is that right?

Mr. LOVETT. That's correct, sir.

The CHAIRMAN. In that position did you closely monitor the Pullman-Torkelson subcontract for the coalhandling facilities at the Nelson powerplant?

Mr. LOVETT. Yes, sir, I did not steward that job in particular, for obvious reasons, but I did know 85 to 90 percent of the craftsmen that worked on that job.

The CHAIRMAN. Were there any illegal activities on the part of union officials? Were any of these illegal activities reported to you on the Pullman-Torkelson job?

Mr. LOVETT. Yes, sir.

The CHAIRMAN. Could you describe some of those reports?

Mr. LOVETT. Ghosting, padding of payrolls, sabotage, felony theft, various and sundry other things.

The CHAIRMAN. And you consider these illegal activities on the part of the operating engineers and the carpenters union?

Mr. LOVETT. Yes, sir.

The CHAIRMAN. Now these are very serious allegations, Mr. Lovett. Let's take them item by item, starting with the alleged payroll padding. Tell us specifically what happened and how you learned of these activities.

Mr. LOVETT. Well, through my pipeline. Union stewards in certain respects are comparable to a politician—we have to have eyes and ears in other places ourselves. Reports came to me of certain people that would come on the job, work 8 hours a day. They would leave early, have someone drop their badge. They would drop it after 16 or 17 hours a day, which would entitle that particular person to remain on the payroll——

The CHAIRMAN. So they were getting not only regular time, but overtime?

Mr. LOVETT. Right, sir.

The CHAIRMAN. Was that double pay?

Mr. LOVETT. No, sir. Contrary to popular belief, the stabilization agreement which covered this project, we were only allowed time and a half.

The CHAIRMAN. So you got regular time plus time and a half over 8 hours?

Mr. LOVETT. Just time and a half.

The CHAIRMAN. OK. But you're saying that a number of these workers were paid in excess of 8 hours a day up to—did you say 17?

Mr. LOVETT. Senator, what I am saying, some of these people stayed on that project for approximately 1 year and better. The only straight-time hour they drew was the first 8 hours they got that job.

The CHAIRMAN. As I understand it, and you correct me if I'm wrong, sometimes these particular people would even be many miles away.

Mr. LOVETT. They would be as far away as 500 miles on hunting and fishing trips, some on hunting trips with the business agent, him using the local automobile and credit cards for his own personal use, and these people did not lose not 1 hour—not 1 hour.

The CHAIRMAN. Am I correct that you're prepared to testify that some workers were paid on two or three company payrolls at one time——

Mr. LOVETT. Yes, sir.

The CHAIRMAN [continuing]. And accrued as many as 1,200 hours per month?

Mr. LOVETT. That's correct, sir. Taking into consideration that there's only—most of your construction work, unless it is a top priority job, is held to 40 hours per week, which would only entitle a person working normal hours 160 hours a month. Some of these people—certain records will reflect that they were paid as high as 1,200 hours a month, and the only way they can receive that is through riding multiple payrolls.

The CHAIRMAN. So you're saying that if you add up 31 days, you've got about 744 hours total?

Mr. LOVETT. That's correct, sir, working 24 hours a day.

The CHAIRMAN. Some of these people were able to get paid on various payrolls a total of up to 1,200 hours per month?

Mr. LOVETT. That's correct, sir.

The CHAIRMAN. That's contrasted to, say, 160 hours to maybe 200 hours without overtime?

Mr. LOVETT. That's correct.

The CHAIRMAN. I see. You could get double time on Sunday, though, couldn't you?

Mr. LOVETT. Double time on Sunday and holidays.

The CHAIRMAN. But that still wouldn't account for the 1,200 hours some of these people were paid?

Mr. LOVETT. No, sir, there's no way.

The CHAIRMAN. Would you identify all the individuals you personally know of who were paid for hours that they did not work?

Mr. LOVETT. I don't mean to take up too much of your time on this, Senator.

The CHAIRMAN. Do you have a list of these workers?

Mr. LOVETT. Yes, sir.

The CHAIRMAN. Why don't you just read the names off that list that you personally know were paid for hours that they did not work?

Mr. LOVETT. Willard S. Carlock, Jr.; Linda Young; Roland Mays; Ronnie White; Mike Greer; Edward Kemp, Donnie Wayne Scimemi; Ray Aguillard; Paul Beaugh; Monroe Brabham; Ronnie Doyle; Arthur Woodell; Ed Foster; Mike Scimemi——

The CHAIRMAN. That's Mitch Scimemi, you mean?

Mr. LOVETT. Well, they call him Mitch.

The CHAIRMAN. They call him Mike, OK.

Mr. LOVETT. J.J. Coopee; Garland Davidson; Ronnie Leger; Linda Lajuene; Judy George; Gail Walker. I'm sure I possibly missed some.

The CHAIRMAN. Without objection, we will put that list in the record.

[The list referred to follows:]

Garland E. Davidson
Ja B. White
Howard Wash
Peter Lifton Dartez
Michael Duplechain
Edgar L. Fee
James Thornton, Jr.
Tortomase
Eddy Strother
Gerald Spivey
Carl Prenti Simmons
H. R. Sigmund, Jr.
Hellen LaSotta
D. W. Scimemi
Kenneth Sare
Wyatt Trahan
Mike Scimemi
Floyd John Romine
D. H. Quelle
David George
Benjamin Fullington
Jeanette Daniel
C. McNabb
K. J. Manuel, Jr.
Joseph Lovett, Jr.
R. Livingston
Tommy Lisotta
Ronnie I. Leger
James Lee LeDoux, Jr.
Edward Kemp
S. Johnson, Jr.
Samuel Johnson
Lenard M. Jinks
Cecil Holley
Michael Greer
Deborah L. Greer
Elmer C. Grantham, Jr.
Melvin P. Duplechain
Ronnie White
Linda Young
B. J. Edwards
Bobby J. Sonnier
Murphy Ashworth
Carl Beaugh
James M. Brabham
Walter Busby
Houston Byrd, Jr.
Mike Byrd
Willard Carlock
Winston E. Carlock
Grady Cauthron
Andrei Chicano
James Cooper, Jr.
Jimmy J. Cooper
A. Ardoin, Sr.
Rayford Aguillaro
Arthur R. Woodel
L. B. LeJune
Roland C. Mays
C. Shearin
Earnest Thompson
Regina Vassuer
Linda Hendley
Vicki Livingston
Tommy Doyle
Margaret Newman

The CHAIRMAN. Were any of these individuals ghost employees who were paid but never showed up at all?

Mr. LOVETT. That's correct, sir. As a matter of fact, Willard Carlock, Jr., was forced upon a contractor at the Hackberry dome site.

The CHAIRMAN. That's the West Hackberry?

Mr. LOVETT. West Hackberry dome site.

The CHAIRMAN. OK.

Mr. LOVETT. His father, Willard Carlock, Sr., filled out his W-4 form for him. His contractor was forced to pay Willard Carlock, Jr., at the rate of 40 hours per week for approximately 8 months. Willard Carlock, Jr., never set foot on that man's jobsite, and Willard Carlock, Sr., was on that jobsite once a week to pick up that check.

The CHAIRMAN. So you're saying that Willard Carlock, Jr., the son of this business agent that we have been criticizing in our hearings, actually was put on the payroll at the West Hackberry job and never really worked a day on that job?

Mr. LOVETT. He never set a foot on that contractor's jobsite.

The CHAIRMAN. And he was paid for 40 hours every week?

Mr. LOVETT. That's correct.

The CHAIRMAN. What would 40 hours a week of his type of pay amount to, approximately?

Mr. LOVETT. Well, him being the business agent's son, it would probably have been master mechanic.

The CHAIRMAN. So what would that——

Mr. LOVETT. You would probably be looking at approximately $500 to $600 a week.

The CHAIRMAN. So you're talking somewhere between $2,000 and $2,400 a month that he just walked away with?

Mr. LOVETT. Yes, sir.

The CHAIRMAN. Without turning a lick of work?

Mr. LOVETT. That's correct, sir.

The CHAIRMAN. Do you know of any records in existence that would prove that workers were on multiple payrolls at the same time or were paid in excess of 24 hours a day?

Mr. LOVETT. Yes, sir, a complete set of records are maintained at the international headquarters in Washington, the Health, Welfare, and Retirement Fund.

The CHAIRMAN. So they would show the cumulative hours worked, then?

Mr. LOVETT. Yes, sir.

The CHAIRMAN. How do you know that these workers worked on multiple payrolls at the same time?

Mr. LOVETT. I know for a fact.

The CHAIRMAN. You know it for a fact?

Mr. LOVETT. I know it for a fact.

The CHAIRMAN. Well, we'll request these records from the international union, which would appear to be a quicker and more thorough way of getting to the bottom of this than going to all the companies involved.

Also, Mr. Lovett, you might not know all the companies that an individual worked for, but the international would.

Mr. LOVETT. Yes, sir; that's correct.

The CHAIRMAN. Also, my staff has sought unsuccessfully to obtain the Pullman-Torkelson pay records on which any investigation for ghosting on multiple payrolls would have to be based. My understanding is that the international's records will list all pension contributions and, thus, all earnings from every company that paid wages to a union member. So this would be a catchall, and, of course, to us a very convenient investigative tool. So we'll try to do that.

It would also include the Pullman-Torkelson and, of course, all other employer contributions.

We would also ask the FBI to obtain and to analyze these same records, so as to determine whether any Federal laws have been broken in fact in this case. In fact, I think the FBI has to get those records and has to make this investigation because, if what you are saying is true, these are very serious charges, indeed. It just means that somebody was getting ripped off, and we have had some testimony indicating the general public is being ripped off as well as these contractors themselves, and as well as other workers who could be doing that work but who do not have jobs in a country that has a fairly high unemployment rate, coming down but, nevertheless, fairly high. So I am concerned about that.

Let me turn to another subject, Mr. Lovett. You stated earlier that incidents of sabotage occurred on the Pullman-Torkelson jobsite. Could you elaborate a little bit on that statement?

Mr. LOVETT. Yes, sir. The sabotage that I became aware of was on the freeze unit around the perimeter of the car dumper hole. The clamps on the flexible hoses that were attached to the metal pipes were inserted vertically in the ground to freeze the perimeter of that hole, were loosened, allowing the brine water and nitrogen to gradually leak off and allowing that hole to start to thaw, so to speak.

The CHAIRMAN. If I understand you correctly, you are saying that certain operating engineers loosened the clamps on the freezing unit that kept the sides of the coal storage hole from collapsing?

Mr. LOVETT. That is correct.

The CHAIRMAN. And when they did that, nitrogen escaped, that softened the ground, and the whole area collapsed?

Mr. LOVETT. The combination of nitrogen and brine water.

The CHAIRMAN. Why would the operating engineers want to sabotage the coal storage hole?

Mr. LOVETT. For the simple reason of extending the job and loading the payroll with unnecessary people.

The CHAIRMAN. Well, now, how do you know that the operating engineers were responsible for the collapse of the hole?

Mr. LOVETT. The freeze unit has historically been our jurisdictional work.

The CHAIRMAN. In other words, in the jurisdiction of the operating engineers?

Mr. LOVETT. That's correct, Senator.

The CHAIRMAN. OK. So did you think—you called it sabotage. Was this an obvious case of sabotage or——

Mr. LOVETT. It was an obvious case of sabotage, Senator, in the respect that I noticed, when Pullman-Torkelson started hiring people for that particular job—I noticed the first half dozen or so people that came through that gate to be employed by Pullman-

Torkelson. Those people were sent there to bleed a contractor. They are the same people that repetitiously went from the T.L. James job, which had 100-percent overrun; the Pullman-Kellog job, which had a 250-percent cost overrun; the J.A. Jones job; in Continental; and Heing-Hercules; the two Joe Weiss jobs, one in Olin and one in Continental. The same faction follows these jobs. They go and do the wishes and whims of the business agent.

The CHAIRMAN. How long was the job delayed as a result of the collapse of the hole?

Mr. LOVETT. I would say possibly from an 8-month period of time that it could have been completed to approximately 2 years.

The CHAIRMAN. That long?

Mr. LOVETT. Yes, sir.

The CHAIRMAN. My understanding is the construction of the coal-handling facilities commenced on May 28, 1979, and the construction was supposed to be completed on April 2, 1980, but that the job was not actually completed until July 24, 1981, more than 1 year behind schedule. Is that your understanding as well?

Mr. LOVETT. That's correct, sir.

The CHAIRMAN. You also mentioned that there were incidents of theft at the jobsites. What types of materials were stolen, and how did you find out about it?

Mr. LOVETT. Some of these I witnessed myself. But on one particular occasion Willard had two of his bagmen or henchmen, or however you want to describe them, come to my jobsite and, after a safety meeting on a Monday morning, attempted to shake my people down for $50 per month for a defense fund, so to speak, on his behalf. They gave them the ultimatum of paying $50 once a month or $25 every 2 weeks. No checks and no receipts would be given.

I went to Carlock's house the following afternoon, the following night, to confront him on this. I had to walk over a pile of starters, generators, coils, equipment headlights that were piled on the floor of his mobile home which I knew for a fact was reported stolen off of the Bechtel job the day before.

The CHAIRMAN. Off the job you were on?

Mr. LOVETT. Yes, sir. That's correct, sir.

The CHAIRMAN. So you recognized the parts and the equipment?

Mr. LOVETT. Yes, sir.

The CHAIRMAN. And they were right there in full view?

Mr. LOVETT. Yes, sir, I had to walk around them.

The CHAIRMAN. Were these parts used for gas- or diesel-driven engines?

Mr. LOVETT. For gas and diesel driven, Senator.

The CHAIRMAN. I see.

As I understand it, on another occasion there was a $4,500 lighting apparatus for night work which was stolen before the unit had even run for 1 minute. Is that right?

Mr. LOVETT. There were three of those installed one day on the equipment owned by Homer White. We changed shifts at 4 o'clock in the afternoon. By 4:30, one of those Homelite light clamps was ripped off of that machine and it never fired one lick.

The CHAIRMAN. Well, how did you know that that—did Carlock or any of his people have anything to do with this or——

Mr. Lovett. Yes, sir.

The Chairman. Were you able to find out, and how did you find out?

Mr. Lovett. Two engineers of mine. Again, my eyes and ears brought it to me.

The Chairman. I see.

As I understand it, you told my investigators that it was widely known that these materials were used to construct a build on addition on the home of Robbie Carlysle; is that right?

Mr. Lovett. This is probably material that never made it to the Pullman-Torkelson jobsite. As a matter of fact, Mr. Carlysle has bragged on several occasions that Pullman-Torkelson built him the largest home in Beauregard Parish.

The Chairman. Robbie Carlysle is the carpenters' general foreman on the Pullman job; is that correct?

Mr. Lovett. That's correct.

The Chairman. Are there any other homes you can think of where materials were taken?

Mr. Lovett. One other home belonging to Mr. Clyde Shearin, who was night master mechanic for Bechtel. His entire house was insulated from material confiscated from the Bechtel job.

The Chairman. Now was he a crony of Mr. Carlock?

Mr. Lovett. Very much so.

The Chairman. I see.

While you were job steward at Bechtel, did Pullman-Torkelson ever rent equipment from companies owned or operated by Willard Carlock or his son, Willard Carlock, Jr.?

Mr. Lovett. Yes, sir, it came to my attention through someone else—I enjoyed a good rapport at that time with a Mr. Cal Simmons, who was the civil engineer over excavation. He went back to the Pullman-Torkelson site to survey the amount of equipment, take a head count, so to speak. He informed me the old, obsolete dozer was back there. I'm well aware of the dozer.

The Chairman. Is this a D–8 dozer, a bulldozer?

Mr. Lovett. Yes, sir; that's correct.

The Chairman. And they rented it from Cat-Low; is that right?

Mr. Lovett. Cat-Low Equipment, yes, sir.

The Chairman. And that's one of Carlock's companies?

Mr. Lovett. Yes, sir.

The Chairman. Now that was in late 1979 or early 1980?

Mr. Lovett. Yes, sir.

The Chairman. As I understand what you just said, the dozer was in poor condition. It really couldn't have operated very long?

Mr. Lovett. That's correct. I doubt very seriously if the dozer operated 30 minutes in the first 4 days.

The Chairman. Why would they send equipment like that to the job?

Mr. Lovett. It's very simple. If they wanted that job to go, they had to rent it.

The Chairman. In other words, they had to rent it from them, from Carlock's company——

Mr. Lovett. That's right.

The Chairman [continuing]. In order to just have the job go?

Mr. LOVETT. Mr. Carlock went on that job and had a meeting with Mr. Steve Conzie, who was the first engineer that came on the job for Pullman-Torkelson. Carlock informed Mr. Conzie that he would not discuss equipment rental or lease with anyone else in the area; he would furnish the equipment for that job.

Senator, this started back in 1975. The man came and personally put in my hands when I was a union steward for Tudor Construction a receipt book to have Mr. Gordon DuCoty, who was at that particular time project superintendent for Tudor, to fill out every day and sign that ticket for 8 hours' worth of rental on that particular backhoe, and that backhoe never worked 1 minute the entire time I was on that job.

The CHAIRMAN. I see. Now this particular old, beat-up dozer, was it rebuilt on the job?

Mr. LOVETT. Yes, sir.

The CHAIRMAN. At whose expense?

Mr. LOVETT. Pullman-Torkelson.

The CHAIRMAN. So you're saying that he forced them to rent this particular bulldozer that couldn't have worked very long because it was in such bad shape, and then one of the benefits he got out of it was, at Pullman's expense, they had to rebuild it?

Mr. LOVETT. That's correct, sir.

The CHAIRMAN. And you talk about a backhoe that also was used?

Mr. LOVETT. Yes, sir, but this was——

The CHAIRMAN. It really wasn't used; it was paid for and rented but never used?

Mr. LOVETT. That's correct, sir.

The CHAIRMAN. Did this dozer, once it was repaired by Pullman-Torkelson, was it ever used? Did it ever do any work?

Mr. LOVETT. My understanding was that that dozer was repaired, the order was passed down to park that tractor to one side, and it was not to be used except in the case of an emergency.

The CHAIRMAN. Well, was it, in fact, ever used?

Mr. LOVETT. Apparently the emergency never arose.

The CHAIRMAN. I see.

How much did it cost Pullman to repair that beat-up dozer that they had to rent, they were forced to rent, from Cat-Low?

Mr. LOVETT. Approximately $25,000.

The CHAIRMAN. Well, let me enter as Lovett exhibit No. 1 a December 17, 1979, purchase order for repairs of the D–8 bulldozer rented from Cat-Low, Inc., in the amount of $25,477.65.

We will also enter into the record at this point, without objection, Lovett exhibit No. 2, documenting that Willard Carlock, Jr., is president of Cat-Low.

[Lovett exhibit No. 2 follows:]

Lovett
Exhibit No. 2

LAW OFFICES
MORRIS & CASEY
1522 RYAN STREET
P. O. BOX 1106
LAKE CHARLES, LA. 70602

MAX M. MORRIS
GERALD J. CASEY

TELEPHONE
(318) 436-6188

June 17, 1983

Clerk
U. S. Bankruptcy Court
Room 252
Federal Building
Opelousas, LA 70570

Re: Tri-Coast, Inc.
Case No. 482-00715-LC

Madam:

Enclosed is a Complaint for Redemption of Property, Damages and Injunctive Relief in the above captioned bankruptcy.

It is my understanding that a hearing is scheduled for June 23, 1983 at 2:30 p.m. in the above captioned matter in Lake Charles, Louisiana. I would request that this matter be set for hearing on that date. The attorneys for the defendants are aware that I am requesting that the hearing be set for this date and do not object to the matter being heard.

Thanking you in advance, I remain

Sincerely yours,

MORRIS & CASEY

Gerald J. Casey

Gerald J. Casey

GJC/bn

Enclosures

[illegible]
WESTERN DISTRICT OF LOUISIANA
LAKE CHARLES DIVISION

IN RE: TRI-COAST, INC.
DEBTOR

CASE NO. 482-00715-LC

WILLARD S. CARLOCK, JR.
PLAINTIFF

VERSUS

ADVERSARY NO. ____________

FIRST NATIONAL BANK

and

WILLIAM G. McCLANAHAN
DEFENDANT

****

COMPLAINT FOR REDEMPTION OF PROPERTY, DAMAGES AND INJUNCTIVE RELIEF

WILLARD S. CARLOCK, JR., plaintiff, by Gerald J. Casey, his attorney, alleges:

1.

This court has exclusive jurisdiction over this proceeding pursuant to 28 U.S.C. §1471 and §1481.

2.

The plaintiff is a resident of Louisiana and the President of CAT-LOW, Inc., a Louisiana corporation organized and existing by the laws of the state of Louisiana.

3.

On September 15, 1982 the debtor and Defendant herein filed its original chapter 11 petition in the United States Bankruptcy Court for the Western District of Louisiana, Opelousas District. On March 14, 1983, the proceeding was converted to a proceeding under Chapter 7, and W. G. McClanahan, defendant, was duly appointed and qualified as trustee.

4.

The defendant, W.G. McClanahan, trustee, is in possession of certain property, to wit:

> One (1) Caterpillar Model D-5 Crawler Tractor, serial no. 97J-577, with ROPS Canopy, hyd. angledozer, hyd. tilt attachment, hyd. control unit, 18" crawler shoes, power shift transmission, Caterpillar diesel engine, complete with all standard equipment.

5.

The plaintiff holds all right, title and interest in said property and the defendants lack any legal or equitable interest in said property.

6.

Plaintiff has requested the turnover of said property but the defendants have failed and refused to comply with said request for turnover.

7.

Plaintiff alleges on information and belief that the debtor had fraudulently granted a chattel mortgage to defendant First National Bank of Lake Charles on the above described equipment without the knowledge, authority or consent of plaintiff in August of 1981.

8.

The defendant, First National Bank, is listed as a secured creditor on Schedule A-2 of the original schedules filed by defendant debtor and the security described as collateral for the secured loan is the D-5 Bulldozer owned by plaintiff.

9.

The defendant, First National Bank, alleges that it is a secured creditor and has threatened to sell or dispose of the above described property.

10.

Defendant, W. G. McClanahan, trustee, is attempting to abandon the property of the plaintiff to the defendant, First National Bank, in order to facilitate the disposal of the property.

11.

Unless the defendants, First National Bank and W. G. McClanahan, are temporarily restrained from continuing the legal action described above, immediate, irreparable injury, loss or damage will result to the plaintiff.

12.

Plaintiff further alleges that it is suffering damages totalling FOUR HUNDRED ($400.00) DOLLARS per day in lost income because of the wrongful conversion of the property of the plaintiff.

WHEREFORE, WILLARD S. CARLOCK, JR., plaintiff, prays that:

1. An order issue, directing W. G. McClanahan, Trustee, and First National Bank, the defendants herein, to turn over and physically deliver the equipment described above and if said equipment has been disposed of, to require the defendants to turn over the proceeds of said equipment.

2. Pursuant to Federal Rules of Civil Procedure Rule 65, as incorporated by Bankruptcy Rule 765, a temporary restraining order be issued restraining the defendants, their attorneys, agents, and employees and successors from abandoning, selling or disposing of the above described property and further, the plaintiff prays for a preliminary and permanent injunction enjoining the defendants, their attorneys, agents, employees and successors from selling or disposing of any of the above described property.

3. Plaintiff be awarded damages from defendants, First National Bank, William G. McClanahan, trustee, and the estate of the debtor, for the loss of income sustained by plaintiff because of wrongful conversion of the property of the plaintiff.

4. For any and all equitable relief that is just.

By his attorney,

Gerald Casey

GERALD J. CASEY
1322 Ryan St.
Lake Charles, Louisiana
(318) 436-6188

Certificate of Service

I CERTIFY THAT A COPY OF THE FOREGOING PLEADING HAS BEEN SERVED UPON COUNSEL FOR ALL PARTIES TO THIS PROCEEDING, BY MAILING THE SAME TO EACH BY FIRST CLASS UNITED STATES MAIL, PROPERLY ADDRESSED AND POSTAGE PREPAID ON THIS 17th DAY OF June A.D. 19 83

Gerald Casey

State of Louisiana §
Parish of Calcasieu §

BEFORE ME, the undersigned Notary Public, personally came and appeared Willard S. Carlock, who, after being first duly sworn, deposes and states that he is the plaintiff in the foregoing complaint and that all of the allegations contained therein are true and correct to the best of his knowledge, information and belief.

Willard S. Carlock Jr.
WILLARD S. CARLOCK, JR.
Plaintiff

Sworn to and susbscribed to before me the undersigned Notary Public on the 17th day of June, 1983.

NOTARY PUBLIC

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAKE CHARLES DIVISION

IN RE: TRI-COAST, INC.
DEBTOR

CASE NO. 482-00715-LC

WILLARD S. CARLOCK, JR.
PLAINTIFF

VERSUS

ADVERSARY NO. __________

FIRST NATIONAL BANK

and

WILLIAM G. McCLANAHAN
DEFENDANT

* * *

State of Louisiana §

Parish of Calcasieu §

WILLARD S. CARLOCK, JR. being first duly sworn deposes and says:

1. Your affiant is the plaintiff herein.

2. Unless said defendants, TRI-COAST, INC., FIRST NATIONAL BANK, and W. G. McCLANAHAN are temporarily restrained from selling or disposing of the property set forth in the complaint, immediate and irreparable injury, loss, or damage will result to the plaintiff, WILLARD S. CARLOCK, JR., in that the defendants' actions deny plaintiff access to his property and will result in the loss of his property, and said irreparable injury, loss or damage will result before notice can be provided and any hearing had on the request for the temporary restraining order contained in the complaint.

Willard S. Carlock Jr.
WILLARD S. CARLOCK, JR.

Sworn to and subscribed before the undersigned on this 17th day of June, 1983.

NOTARY PUBLIC

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAKE CHARLES DIVISION

IN RE: TRI-COAST, INC.
DEBTOR

CASE NO. 482-00715-LC

WILLARD S. CARLOCK, JR.
PLAINTIFF

VERSUS

ADVERSARY NO. ______________

FIRST NATIONAL BANK

and

WILLIAM G. McCLANAHAN
DEFENDANT

****

STATE OF LOUISIANA §

PARISH OF CASCASIEU §

1. Your affiant is the attorney for plaintiff herein.

2. That on June 17, 1983 at 2:45 P.M. affiant spoke by telephone with Edward Myrick, attorney for defendant, First National Bank, and Ronald Bertrand, attorney for William G. McClanahan, Trustee, at 2:00 P.M, and that your affiant informed them that this adversary proceeding was being filed against the defendants and further informed them as to the general nature of this proceeding; that affiant further informed them that affiant would move for a temporary restraining order at _____ o'clock __.M. on ________________, 1983, before a bankruptcy judge of this court, and of the objectives of said restraining order and that they could attend before the bankruptcy judge and be heard.

Gerald Casey

GERALD J. CASEY - Affiant

WESTERN DISTRICT OF LOUISIANA
LAKE CHARLES DIVISION

IN RE: TRI-COAST, INC.
DEBTOR

CASE NO. 482-00715-LC

WILLARD S. CARLOCK, JR.
PLAINTIFF

VERSUS

ADVERSARY NO. ______________

FIRST NATIONAL BANK

and

WILLIAM G. McCLANAHAN
DEFENDANTS

****

ORDER GRANTING TEMPORARY RESTRAINING ORDER AS TO DISPOSAL OF PROPERTY AND SETTING TIME FOR HEARING ON PRELIMINARY INJUNCTION

Upon the complaint of plaintiff, WILLARD S. CARLOCK, verified the 17th day of June, 1983, and it clearly appearing from said complaint that unless FIRST NATIONAL BANK and WILLIAM G. McCLANAHAN, defendants, are temporarily stayed and enjoined from selling or disposing of certain property to-wit: -

> One (1) Caterpillar Model D-5 Crawler Tractor, serial no. 97J-577, with ROPS Canopy, hyd. angledozer, hyd. tilt attachment, hyd. control unit, 18" crawler shoes, power shift transmission, Caterpillar diesel engine, complete with all standard equipment.

immediate, irreparable injury, loss or damage will result to the plaintiff and its creditors; and that such temporary restraining order should be issued;

IT IS ORDERED, that a hearing to determine whether or not to grant a preliminary injunction shall be held before the undersigned bankruptcy judge in Lake Charles, Louisiana on the ______ day of __________________, 1983 at _____ o'clock __.M.;

IT IS FURTHER ORDERED that unless otherwise ordered by this court, FIRST NATIONAL BANK and WILLIAM G. McCLANAHAN, their agents, attorneys, employees and successors and each of them be in the same hereby are temporarily restrained from selling or disposing of the above described property.

This ______ day of ___________, 1983 in Opelousas, Louisiana.

____
UNITED STATES BANKRUPTCY JUDGE

SALE OF MOVABLE : UNITED STATES OF AMERICA

BY DALE JUNGHANS d/b/a : STATE OF LOUISIANA
JUNGHANS EQUIPMENT RENTAL

TO WILLARD SHERMAN CARLOCK, : PARISH OF CALCASIEU
JR.

BE IT KNOWN, That on the 1st day of May in the year of Our Lord one thousand nine hundred and seventy-eight, A.D.

BEFORE ME, Kenneth E. Badon, a Notary Public, duly commissioned and qualified, in and for the Parish of Calcasieu, State of Louisiana, therein residing, and in the presence of the witnesses hereinafter named and undersigned:

PERSONALLY CAME AND APPEARED: DALE JUNGHANS d/b/a JUNGHANS EQUIPMENT RENTAL, Rt. 1 Box 9B, Anacoco, Louisiana 71403, who declared that he has sold and delivered, and does by these presents, grant, bargain, sell, assign, transfer, set over and deliver, with all legal warranties, unto WILLARD SHERMAN CARLOCK, JR., here present, who accepts, all and singular and acknowledges that there has been duly delivered to him, the following described movable property located on the premises of Sam Fertita Real Estate in the City of Newllano, Parish of Vernon, State of Louisiana, to-wit:

> One (1) Caterpillar Model D-5 Crawler Tractor s/n 97j-577, with ROPS Canopy, hyd. angledozer, hyd. tilt attachment, hyd. control unit, 18" crawler shoes, power shift transmission, Caterpillar diesel engine, complete with all standard equipment.

TO HAVE AND TO HOLD the above described movable property unto the said purchaser, his heirs and assigns, forever.

This sale is made for and in consideration of the price and sum of $47,282.74, of which the purchaser has well and truly paid the sum of $5,000.00, in ready and current money to the seller, who hereby acknowledges the receipt thereof and grants full acquittance and discharge thereof.

And for the balance of the said purchase price to-wit, the sum of $42,282.74, the said purchaser has assumed the payment of 27 consecutive monthly installments of $1,504.00 each, commencing May 3, 1978, and then on a like date each month thereafter, with one final installment of $1,474.74 due on August 3, 1980, to Northwest Acceptance Corporation, 2100 West Loop South, Suite 708, Houston, Texas, 77027.

Purchaser covenants and agrees that he will at his own cost and expense procure forthwith and maintain insurance against loss, theft, destruction and damage of the Movable for the full insurable value thereof.

THUS DONE AND PASSED, in triplicate original, in my office in Lake Charles, Calcasieu Parish, Louisiana, on the day, month and year herein first above written, in the presence of Bridget Dionne Smith and Mitchell [illegible], competent wetnesses, who hereunto sign their names with the said appearers and me, Notary, after reading of the whole.

WITNESSES:

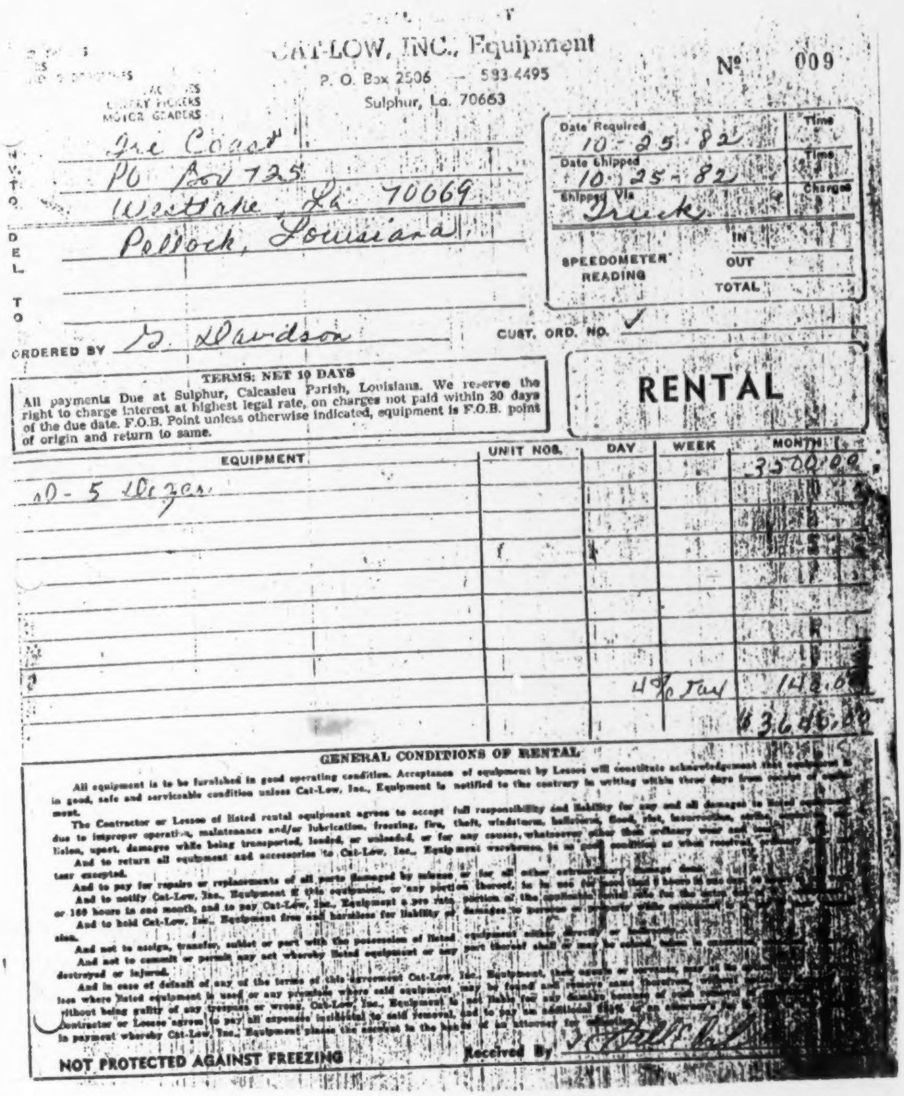
Bridget Dionne Smith

Mitchell [illegible]

Dale Junghans
DALE JUNGHANS d/b/a JUNGHANS EQUIPMENT RENTAL

Willard Sherman Carlock Jr.
WILLARD SHERMAN CARLOCK, JR.

Kenneth E. Baker
NOTARY PUBLIC



CHERRY PICKERS
MOTOR GRADERS

CAT-LOW, INC., Equipment
P. O. Box 2506 — 583-4495
Sulphur, La. 70663

№ 009

INV. TO
[illegible] Coast
PO Box 725
Westlake, La 70069

DEL. TO
Pollock, Louisiana

Date Required 10-25-82
Date Shipped 10-25-82
Shipped Via Truck
Time
Time
Charges

SPEEDOMETER READING IN
OUT
TOTAL

CUST. ORD. NO. ✓

ORDERED BY D. Davidson

TERMS: NET 10 DAYS
All payments Due at Sulphur, Calcasieu Parish, Louisiana. We reserve the right to charge interest at highest legal rate, on charges not paid within 30 days of the due date. F.O.B. Point unless otherwise indicated, equipment is F.O.B. point of origin and return to same.

RENTAL

EQUIPMENT	UNIT NOS.	DAY	WEEK	MONTH
D-5 Dozer				3500.00
			4% Tax	140.00
				$3640.00

GENERAL CONDITIONS OF RENTAL

All equipment is to be furnished in good operating condition. Acceptance of equipment by Lessee will constitute acknowledgement that equipment is in good, safe and serviceable condition unless Cat-Low, Inc., Equipment is notified to the contrary in writing within three days from receipt of equipment.

The Contractor or Lessee of listed rental equipment agrees to accept full responsibility and liability for any and all damages to listed equipment due to improper operation, maintenance and/or lubrication, freezing, fire, theft, windstorm, hailstorm, flood, riot, insurrection, strike, [illegible] collision, upset, damages while being transported, loaded, or unloaded, or for any causes, whatsoever other than ordinary wear and tear [illegible]

And to return all equipment and accessories to Cat-Low, Inc., Equipment warehouse, in as good condition as when received, ordinary wear and tear excepted.

And to pay for repairs or replacements of all parts damaged by misuse or for all other extraordinary damage done.

And to notify Cat-Low, Inc., Equipment if this equipment, or any portion thereof, is in use for more than 8 hours in one day [illegible]

And to pay Cat-Low, Inc., Equipment a pro rata portion of the applicable rental rate for the [illegible] or 160 hours in one month, and to pay Cat-Low, Inc., Equipment [illegible]

And to hold Cat-Low, Inc., Equipment free and harmless for liability of damages to persons or property while [illegible] listed equipment either directly or indirectly [illegible] sion.

And not to assign, transfer, sublet or part with the possession of listed equipment [illegible]

And not to commit or permit any act whereby listed equipment or any part thereof shall or may be seized, taken in execution, [illegible] destroyed or injured.

And in case of default of any of the terms of this agreement Cat-Low, Inc., Equipment, their agents or servants, may at [illegible] where listed equipment is used or any premises where said equipment may be found and remove same therefrom, without [illegible] without being guilty of any trespass or wrong. Cat-Low, Inc., Equipment is not liable for any damage because of such removal [illegible] Contractor or Lessee agrees to pay all expenses incidental to said removal, and to pay an additional [illegible] of an attorney for collection [illegible] in payment whereby Cat-Low, Inc., Equipment places the account in the hands of an attorney for collection.

NOT PROTECTED AGAINST FREEZING Received By

The CHAIRMAN. How much was Carlock paid for the rental, if you know, if this bulldozer that really didn't do any real work, that the company had to spend almost $26,000 on to rebuild?

Mr. LOVETT. The figure that came to my attention was $12,000 per month for 12 months.

The CHAIRMAN. In other words, $144,000 to rent this vehicle that never was used and had to be repaired at a cost of almost $26,000?

Mr. LOVETT. That's correct, sir.

The CHAIRMAN. At our February 28 hearing, Ms. Anne Blackwell, an executive of a construction company in Lake Charles, testified that she was forced to rent equipment from Mr. Carlock even though her company already owned the same type of equipment. As I recall her testimony, she said it was better equipment than what she was forced to rent.

Now was Pullman forced to rent the D-8 dozer from Mr. Carlock?

Mr. LOVETT. Yes, sir.

The CHAIRMAN. As I understand it, Cal Simmons—was he the superintendent for Bechtel?

Mr. LOVETT. Yes, sir; he was civil superintendent over excavation.

The CHAIRMAN. Was he the one that told you that the contractor was forced to rent the equipment from Carlock?

Mr. LOVETT. He told me it was back there. I did some research on the machine. Yes, sir, I found out.

The CHAIRMAN. What was the basis of that? Why did they cave into that?

Mr. LOVETT. Why did they give——

The CHAIRMAN. Why did they give in to Carlock on this? Why did they do this?

Mr. LOVETT. Sir, under severe threat and intimidation.

Senator Hatch, you have to work with some of these people on a day-to-day basis to really understand the animal that you're confronting. Surely some people are more intimidated, more easily intimidated, than others. Certainly if a person told you, "If you don't rent this dozer" or "If you don't put these people on your payroll, you would make fine rebar and a base over here for concrete pouring."

The CHAIRMAN. I see. Is it true that you indicated to my investigators that the dozer had to be—that no other dozer on the job would be allowed to run unless they rented this particular dozer from Cat-Low?

Mr. LOVETT. Sir, if they had not rented that dozer per se, every piece of equipment on the Pullman-Torkelson job would have been sabotaged as it came on the job. It's just that simple.

The CHAIRMAN. In other words, they would beat the contractor into submission?

Mr. LOVETT. They would beat him into submission; this is correct.

The CHAIRMAN. Did the contractors, you think, know that that's the way things were down there in that area?

Mr. LOVETT. No, sir. I think those people came into that part of the country under a different impression.

The CHAIRMAN. I see.

Now we heard testimony at the last hearing that Carlock and his close associates openly bragged that they were beyond the reach of the law. Did you ever witness statements of this nature on the part of Mr. Carlock or any of his associates?

Mr. LOVETT. Sir, I've witnessed that on several occasions. They refer to him as "Mr. C," "the boss," "the king." They say that he has escaped the penitentiary, and the Ellender Bridge thing, and the Jupiter thing——

The CHAIRMAN. That's when people were shot?

Mr. LOVETT. Sir?

The CHAIRMAN. That's where people were shot?

Mr. LOVETT. Yes, sir; that's correct.

The CHAIRMAN. They basically told you that he was untouchable, didn't they?

Mr. LOVETT. That's correct.

The CHAIRMAN. Mr. Lovett, my understanding is that you were not one of the witnesses interviewed for the Gulf States report; is that correct?

Mr. LOVETT. That's correct.

The CHAIRMAN. I want to read you some general observations about this job from some of the Gulf State witnesses who are not here today, so that you can help us to determine the veracity or the truthfulness of some of these observations.

The first observation is as follows: "Labor could do anything they wanted to do on that job—drinking and gambling and leaving the job at early hours and still getting paid for the full eight." Would you agree with that statement?

Mr. LOVETT. That's correct, sir.

The CHAIRMAN. Another source said: "There was one time we found craftsmen out there on a double-time day playing basketball. We found a television set where people would gang up and watch TV all night when they were working more than one shift or more than a straight 8-hour day."

Did such practices actually go on on that job?

Mr. LOVETT. That's correct, sir.

The CHAIRMAN. Another witness stated as follows: "I would say that Pullman-Torkelson probably overstaffed the job 100 percent easily."

Do you agree with that characterization?

Mr. LOVETT. I would say that is a conservative estimate.

The CHAIRMAN. Another source said: "The departure of Pullman-Torkelson people began about 8 o'clock in the morning, and that went on for the whole course of the day, and what was left on the job might as well have left, too."

Did you make those same observations?

Mr. LOVETT. The same observations, yes.

The CHAIRMAN. Well, in conclusion, Mr. Lovett, let me ask you what the circumstances were of your leaving the Pullman-Torkelson job on January 29, 1982. Could you tell us a little bit about that?

Mr. LOVETT. Yes, sir. Ostensibly, I was removed from that job under the disguise of a reduction in force for the simple reason that I had become too much aware of certain things going on, certain happenings. Carlock tried to buy me to keep my mouth shut and my eyes closed. He could not buy me. He could not intimidate me. I prostitute myself for no one.

There came a point in time that, through a conspiratorial plot between Willard Carlock, J.J. Cooper, Bill Baker with Bechtel, and possibly other Bechtel supervisors, they conjured up a plot to get me off the job.

They deprived me of a contractor's right to remain as the last operator in that project, which continued on for a good 6 to 8 months after I left.

The CHAIRMAN. Have you ever encountered violence or even threats of violence as a result of your refusal to go along with Carlock?

Mr. LOVETT. Yes, sir. As a matter of fact, in 1975 I was picket line captain against American Dredging on the Calcasieu River. I was picket line captain for 7 weeks, 24 hours a day. I administered that picket line as per orders from our judicial court in Calcasieu Parish.

I did not condone drinking, partying, sabotage of company equipment and vehicles. We, in essence, won the picket line, even though we only got two seats on it. But shortly thereafter I was gut shot.

The CHAIRMAN. Wait a minute. You were shot in the stomach?

Mr. LOVETT. That's correct, sir.

The CHAIRMAN. Well, who did that?

Mr. LOVETT. Well, sir, at this particular time I'd rather not reveal that name, but Willard Carlock, Sr., Willard Carlock, Jr., Mike Scimemi, Janie Carlock Lofton were well aware of that happening 10 days prior to it happening.

The CHAIRMAN. Did they tell you that?

Mr. LOVETT. Mike Scimemi and Willard Carlock, Jr., both admitted to me.

The CHAIRMAN. They both told you——

Mr. LOVETT. Yes.

The CHAIRMAN [continuing]. That they knew you were going to be shot 10 days before?

Mr. LOVETT. Yes, sir.

The CHAIRMAN. Did they say that kind of after the fact or just as friends, or did they say that to intimidate you?

Mr. LOVETT. They were having pangs of conscience.

The CHAIRMAN. I see.

How long did you spend in the hospital for that?

Mr. LOVETT. Approximately 30, 35 days.

The CHAIRMAN. Do you have any permanent injuries as a result?

Mr. LOVETT. Yes; but thank God for all those Ace bandages holding me together.

The CHAIRMAN. I want to thank you, Mr. Lovett. We appreciate your taking time to give your testimony here today.

Mr. LOVETT. Mr. Chairman, if I may have a moment here——

The CHAIRMAN. Sure.

Mr. LOVETT [continuing]. I would like to direct a couple statements.

The CHAIRMAN. OK.

Mr. LOVETT. I wish to address the following statements to two groups, the first being to the rank-and-file, dues-paying membership of local 406, the officialdom of the same, and anyone who has worked out of local 406 without the benefit of a union book or permit.

If anyone in these three categories has ever knowingly and willingly participated in or condoned any clandestine act or corrupt activity against a brother member or a contractor through the perpetration of a union official or member, you deserve to be indicted immediately, be prosecuted to the fullest extent of the law with the benefit of a speedy trial, confined to a penal institution and not a country club for the maximum amount of time allowable by law.

To you, Mr. Contractor, who has been victimized by this seedy segment of organized labor in Southwest Louisiana, not just operating engineers, but we, the decent, hard-working, productive craftsmen of the various locals appeal to you to give us the chance to prove that all labor is not bad. I can assure you, if given this chance, that upon presenting a bid package to a client in our area, you will not have to include in that bid funds for construction and maintenance of a volleyball or basketball court, bunkhouses, barrooms, or casinos, or hire two or three unskilled and nonproductive people in order to secure one skilled and productive craftsman. No, Mr. Contractor, you will not have to ghost anyone on your payroll in order to secure and enjoy labor peace on your job; and, no, Mr. Contractor, contrary to popular belief, local 406 per se is not in the business of lending or leasing equipment to you. Rent and lease from whomever you wish.

The primary concern of local 406 is, as it should be with other locals, to refer to you upon your request skilled and productive craftsmen.

Speaking of other locals, I personally have a high degree of respect for the international that is governing two locals in our area, who after learning of alleged wrongdoing in their cases, came in, investigated those allegations, immediately took positive steps to clean their own house.

This brings me to question Mr. J.C. Turner, the president of my international union here in Washington. I ask of him, do his sentiments and concern lie with the good welfare and economic survival of the rank and file or with the capital input into the international treasury of the per capita tax on each and every dues-paying member, or the coddling of and bowing to the wishes of the officialdom of local 406? I seriously question this.

It came to my attention that Mr. Turner was advised of problems that we were having in the area. He promised to investigate, and his way of investigating was making a phone call to Mr. Peter Babbin asking him if problems were existent in the area. I asked brother Turner, "My goodness, what kind of an answer do you expect to a question like that? You get the obvious. There's no wrongdoing here."

Now, I would strongly suggest that Mr. Turner, with Godspeed, send an investigating committee into our area, probe deeply into the allegations and evidence that is presented here today. If, in fact, research will bear this out, and I know it will, then I suggest International clean our house up for us.

This brings me to Peter Babbin. I certainly question his intents. I think the man should take definite steps, positive steps, to eradicate from the Lake Charles area the rotten and corrupt practices and procedures that are used by Willard Carlock, by C.J. Laird, and those supportive of them.

As a matter of fact, today I propose to Mr. Babbin that the decent rank and file strongly suggests that he immediately terminate Willard Carlock and C.J. Laird. If he finds that impossible to do so, then we strongly suggest that he tender his resignation as statewide business manager for local 406.

It is my profound hope that on the conclusion of this hearing that all allegations made, all testimony and evidence given, will be reviewed with total seriousness by the members of this distinguished committee, with open and unbiased minds, a compassionate heart for the laboring people of southwest Louisiana and this great Nation in other areas where they are having the same problem, and with a clear conscience to vote your true conviction, not the wishes of a handful of labor leaders.

The CHAIRMAN. Thank you, Mr. Lovett. That's an eloquent statement. We were happy to listen to it.

We appreciate the courage that you have displayed and the willingness you have had in being willing to come in and testify before this committee, as well as all the other witnesses here today.

Mr. LOVETT. Senator, this only scratches the surface. This will only scratch the surface.

The CHAIRMAN. We appreciate your time and we appreciate your effort and your testimony here today.

Our next witness will be Mr. Elmer J. Richard of Lake Charles, LA.

Mr. Richard, we welcome you before the committee, as we do all of you gentlemen here today.

It is my understanding that you were employed as a supervisor on the coal-handling facilities of the Nelson powerplant by the subcontractor Pullman-Torkelson. Am I correct in that?

STATEMENT OF ELMER J. RICHARD, LAKE CHARLES, LA

Mr. RICHARD. Yes, sir; that is correct.

The CHAIRMAN. What period of time did you work at the Nelson plant and what were your job responsibilities?

Mr. RICHARD. I worked for Pullman-Torkelson at the Nelson station from July 1979 to February 1980, and the functions or the titles that were put on me were field office manager and field purchasing manager.

The CHAIRMAN. I see. As field office manager, Mr. Richard, I guess you did payroll and timekeeping procedures, or at least they fall under your jurisdiction or under your responsibilities; is that correct?

Mr. RICHARD. Yes, sir, they were my responsibility.

The CHAIRMAN. Did you ever observe any irregularities in the timekeeping procedures on the job?

Mr. RICHARD. Yes, sir; quite frequently irregularities would pop up. It would occur quite frequently, Senator, and it progressively got more and more obvious and widespread.

The CHAIRMAN. Was it common for you to have discrepancies between the foreman's time sheets and the timekeeper's notes?

Mr. Richard. We very often had discrepancies or variations between what we tried to maintain as a documented and a verifiable timekeeping effort as compared to the foreman's time sheets that were submitted with the names and the hours relating primarily to his crafts or his craft and the personnel working for him.

In all instances where this occurred, the time submitted by the foreman would invariably be more than what we had been able to document through the timekeeping efforts.

The Chairman. I see. When you discovered that a discrepancy existed between the workman's time sheets and the timekeeper's notes, what procedure did you follow to insure that a worker was being paid for his proper working time?

Mr. Richard. When we had such a discrepancy—and, as I said, the foreman's time sheet always indicated a higher number of hours worked—I would usually summon or, as the job progressed and got relatively large and chaotic, someone, either myself or the payroll department, would call in the foreman working with the individual in question or the individuals in question, and we would ask for either documentation or verification or authorization from field supervision before we would change our figures as documented by the timekeeper.

The Chairman. I see. If the craft foreman—what would the craft foreman do if——

Mr. Richard. Well, the craft foreman didn't carry that much authority or influence as far as I was concerned. His recourse would be to go to the field superintendent, usually Lee Freeman, who was a field superintendent for Pullman-Torkelson, and get the support or the authorization from Freeman to allow for paying for the hours that he had submitted, that the foreman had, in fact, submitted.

The Chairman. I see. Did you ever pay union personnel for time they did not work?

Mr. Richard. Yes, sir, that became more and more prevalent as the job progressed and the force increased. Quite often, when we had these discrepancies, then question them: "Oh, he's a good old boy" or "He had a doctor's appointment" or "He's been doing a good job. Let's go ahead and pay him for the time."

The Chairman. Who told you to pay for them and what reasons did they use——

Mr. Richard. When it was without documentation through our timekeeping system, I had to have authorization or direction from the field superintendent to stray from what we were able to document. The superintendent, as I said, would come up with: "This guy had a doctor's appointment," "He's been doing a good job for us," or "He's going to the dentist," or "We shorted him a few hours last week, so we told him to go ahead and take off; we'd make it up that way and pay for this time"—a multitude of vague reasons.

The Chairman. Had you shorted them time?

Mr. Richard. No, sir; we were never able to substantiate that.

The Chairman. Are you familiar with the term "ghost hire"——

Mr. Richard. Yes, sir.

The Chairman [continuing]. As it relates to the construction industry?

Mr. RICHARD. Yes, sir; I am. A ghost hire in this area, in terms that we're speaking now, would be a person who was, in effect, placed on the payroll for the purpose of receiving pay but who actually did not exist or did not show up or appear or spend any time on the payroll.

The CHAIRMAN. Did ghost hiring actually occur on the Pullman-Torkelson job?

Mr. RICHARD. Yes, sir; it did. In fact——

The CHAIRMAN. Do you know that, personally for a fact?

Mr. RICHARD. Yes, sir; because I had to be made aware of it in order to process it for pay purposes.

The CHAIRMAN. I see. Did that occur on the job that was called C–401, the coal storage facility?

Mr. RICHARD. Yes, sir.

The CHAIRMAN. I see. Did you know if there was any ghost hiring on the job C–400, which was the rotary car dumper substructure?

Mr. RICHARD. Well, Senator, I think the numbers are reversed now, but in relation to the dumper area, the mammoth hole that was being dug there, I had no personal knowledge because I was on the tunnel and the job that we referred to as C–401.

The CHAIRMAN. So, on the rotary car dumper substructure, you don't have any personal knowledge?

Mr. RICHARD. No, sir; because of my lack of involvement.

The CHAIRMAN. But on the coal storage facility, you do have personal knowledge?

Mr. RICHARD. Yes, sir. Yes, sir; that was right.

The CHAIRMAN. Which craft or crafts were ghost hiring?

Mr. RICHARD. The ghosting was restricted to the operating engineers.

The CHAIRMAN. How did that ghost procedure work?

Mr. RICHARD. Well, depending on the size, the nature of a piece of equipment, by contract with the operating engineers, a piece of equipment, again depending on the size and the type, would require an operator to operate the equipment and an oiler to maintain it. In lieu of sending out an oiler, I would get a referral slip with a name and a social security number, and I would be approached by usually the master mechanic—in our case, this was Ronnie Leger—with the fact that the operator would take care of the maintenance on the unit, but we wanted to put this name on our payroll.

I would proceed to get the necessary data: withholding exemptions, the address that we had to provide with any hiring procedure, and then we'd establish that this person was, in effect, the oiler even though that person did not physically exist on the job. In order to complete the tie-in for payroll purposes, I would have to make sure that the timekeeper was aware of it and also that the payroll clerk was aware of it, and also we tried to maintain a low key attitude toward this—no publicity, if possible.

The CHAIRMAN. I see. How many ghost employees were there in all?

Mr. RICHARD. I feel sure that there were at least 10 during this period of time, and all of these for various periods of time were repeatedly placed only on the payroll.

The Chairman. You say "at least 10." Could there have been more?

Mr. Richard. Oh, yes, sir; there could have very well been more.

The Chairman. Would you identify the source who provided you with the names of the ghost employees?

Mr. Richard. OK. Ronnie Leger was the master mechanic on this job, and he would present me with a referral slip from Local 406.

The Chairman. Do you recall any of their names?

Mr. Richard. I recall a woman named Linda, and the story that went with her was that she was a widow, had three or four children, was financially destitute, and needed the assistance tremendously.

Another example that I recall being cited was of a former or retired member of local 406 who was in extremely bad health and was experiencing severe financial difficulties.

The Chairman. Or at least that's what they told you?

Mr. Richard. Yes, sir, just anything that would apparently seem to make any sense.

The Chairman. What would have happened had you refused to go along with the ghosting operation?

Mr. Richard. Well, had I gone against that, step 1, I'm sure that they would have sent someone from the local to physically be an oiler, but in keeping with the fact that I would have, or any member of the staff would have, opposed or tried to alter their efforts or deny their efforts, we would have seen a marked difference in the performance in the field, probably the amount of incidents. They would have definitely retaliated.

The Chairman. Did you have the approval of your supervisor, Lee Freeman?

Mr. Richard. Yes, sir; that was specified on the first occasion, and it became matter of fact from then on.

The Chairman. Why would he give approval for something like that?

Mr. Richard. Intimidation, intimidation by either spelling things out for him or just let him know that either you go along with us or you're in for trouble.

The Chairman. I see; did any other unions pressure you to pay workers for work not performed?

Mr. Richard. Not as severely as the operators. In fact, the payroll process was abused by all crafts that were on the job.

The Chairman. Who abused it the most?

Mr. Richard. Oh, the operators by far.

The Chairman. I see; were there any other unions that were particularly bad?

Mr. Richard. Well, the carpenters were, I would say, No. 2, and the laborers would have come in along with the teamsters.

The Chairman. So you're saying the carpenters, the laborers, the teamsters, and the operating engineers, but the operating engineers were worst than all of them?

Mr. Richard. Yes, sir.

The Chairman. Did you ever encounter ghosting on any other jobsites?

Mr. Richard. Yes, sir. I was the field office manager on the Ellender Bridge job that has been referred to from time to time in this committee. There, again, it was the oiler ghost with the operating engineers.

The Chairman. So the operating engineers were the ones that ghosted that job, too?

Mr. Richard. Yes, sir.

The Chairman. I see; did you have the same payroll responsibilities on the Ellender Bridge job—I guess that was back in 1972 through 1975—that you had on the Pullman-Torkelson job?

Mr. Richard. Yes, sir, for all practical purposes.

The Chairman. On the Ellender Bridge job, who provided you with the names of the ghost employees that were added to the timesheets and included in the payroll?

Mr. Richard. For the most part, that would have been Garland Davidson, a member of local 406, who was also working in the capacity of a field superintendent.

The Chairman. I see. To your knowledge, was Mr. Willard Carlock, Sr., aware that his local was ghosting the Ellender Bridge and Pullman-Torkelson jobs?

Mr. Richard. I've always felt that he had to know, Senator. I had to have a referral slip for documentation, not necessarily for my purposes in the field, but it had to be a matter of company record. This referral was signed by either C.J. Laird or Willard Carlock.

The Chairman. I see.

Mr. Richard. And we submitted a monthly health and welfare benefits report to all the crafts, so it would have necessarily been indicated or listed in that area.

The Chairman. Well, that report would list the names, the social security numbers, and the hours worked for each operating engineer; right?

Mr. Richard. Yes, sir, per month.

The Chairman. So Carlock, as business agent, would have had to know?

Mr. Richard. It had to be in his office. It had to be in his possession.

The Chairman. I see; Mr. Richard, I have in my possession a sworn statement made by you regarding union conditions on the Pullman-Torkelson project. In that statement, which you made for the Gulf States report, you acknowledge that "extreme overtime conditions prevailed as a rule rather than the exception." Would you care to elaborate on that statement here?

Mr. Richard. Yes, sir. This was an area that progressively grew with the job as it went on and the staffing became heavier.

A good bit of the work that we were involved with was the pouring of concrete support portions or—at any rate, it involved the concrete pours in one fashion or another. It was not at all uncommon for the normal work force, 70, 75, 100 people, whatever it might have been at that time, to come to work at 7 or 7:30, whatever the starting time might have been for that particular time, and go on to proceed to start shuffling their feet, doing whatever work could or would be done, with a concrete pour that had been tentatively planned for possibly 8 or 8:30 that morning. For reasons that I guess were fairly obvious, the pour was postponed. It kept being delayed during the day. By, say, 6 or 7 o'clock in the evening everyone that had showed up that morning was still there awaiting the beginning of the pour.

The CHAIRMAN. And all doing nothing, in other words?

Mr. RICHARD. For all practical purposes, very little.

The CHAIRMAN. How many people would that consist of?

Mr. RICHARD. Anywhere from 75 to 100.

The CHAIRMAN. Just standing there?

Mr. RICHARD. Yes, sir. I could clarify that possibly. There may have been a handful working to finish whatever it was that was delaying our ability to proceed with the concrete pour, but it would have been very few people.

We've gone to where everyone is still present and accounted for, or so to speak, by 7 o'clock in the evening, and the pour starts at that time.

The CHAIRMAN. You are saying the pour would be delayed——

Mr. RICHARD. Yes.

The CHAIRMAN [continuing]. You say for obvious reasons.

Mr. RICHARD. Yes, sir.

The CHAIRMAN. What do you mean by that?

Mr. RICHARD. Either not having the foundation, the formation correctly placed and ready to do the pour, the rebar not tied in. In some cases, the location for the pour was away from the specific coordinate that it needed to be on. In some cases, it was just lack of progress on the part of the work force that was responsible for——

The CHAIRMAN. Are you indicating that these things should have been done but just weren't done? They were deliberate delays or what?

Mr. RICHARD. Yes, sir; there was a great degree of deliberation in holding the pour off, just postponing it.

The CHAIRMAN. In other words, you're saying they deliberately delayed?

Mr. RICHARD. Yes, sir; yes, sir.

The CHAIRMAN. I see. If I understand you correctly, the entire work force of somewhere between 75 and 100 employees would get there in the morning, they would deliberately delay the job until early in the evening, and then they would carry on with it, as I understand your comments to my staff members, they would carry on with it beyond midnight, when all they needed, once the pour was made, were the cement finishers?

Mr. RICHARD. Approximately six cement finishers, a few carpenters that contractually stayed with the pour because of their——

The CHAIRMAN. You're saying darned few of them were essential to stay on at time-and-a-half overtime——

Mr. RICHARD. Yes, sir, a few crafts would have been justified or were justified in being there.

The CHAIRMAN. Do you think most of the work could have been done during a normal 8-hour shift or do you think they delayed it so they could get the time-and-a-half overtime?

Mr. RICHARD. For the most part, there were delays that pushed it back into overtime-pay frames.

The CHAIRMAN. You're saying the vast majority of these people were not essential to stay on during this time-and-a-half overtime period?

Mr. RICHARD. That's correct.

The CHAIRMAN. They just stayed on and collected their pay, and you felt this was deliberately done so that they could do that?

Mr. RICHARD. Yes, sir; anyone that wanted to stay stayed. Whoever wanted to go home went home. But on these pours and the time element that was involved on the departure of the people, it made it impossible to really get a head count by anyone.

The CHAIRMAN. I see. So you just paid them all?

Mr. RICHARD. Had to.

The CHAIRMAN. I see. As I understand it, the unions that were involved in the cement pours were the teamsters, the ironworkers, the operating engineers, the carpenters, and the laborers; is that right?

Mr. RICHARD. Yes.

The CHAIRMAN. Were they all overstaffed during these pours?

Mr. RICHARD. Yes, sir.

The CHAIRMAN. How often were these pours conducted?

Mr. RICHARD. It progressed as the job progressed to, I would say, about twice a week.

The CHAIRMAN. I see. Now during the 6½ months that you oversaw the payroll, did you ever cut a payroll check for a union member in excess of 18 hours a day, 7 days a week?

Mr. RICHARD. Yes, sir, that was not uncommon.

The CHAIRMAN. For a man to rack up 18 or 20 hours a day?

Mr. RICHARD. Eighteen or twenty hours a day, 7 days a week, if conditions even began to merit anyone getting that kind of time.

The CHAIRMAN. Well, now, Mr. Richard, was this—were these isolated incidents where they may have occurred once or twice, or was this the general nature of the operation at this job?

Mr. RICHARD. They began as occasional, but they progressed to being the rule rather than the exception.

The CHAIRMAN. I see. How many hours, in your opinion, could a worker actually work and still be considered productive in his or her particular craft?

Mr. RICHARD. From my observation and the comments that have been made to me by superintendents who have spent a lot of time working in construction, anything over 10 hours is worthless.

The CHAIRMAN. I see.

Mr. RICHARD. That is, if they're actually working.

The CHAIRMAN. OK. Mr. Richard, a member of your office staff revealed in a sworn statement that the operators' general foreman was being paid when he was not physically on the jobsite. One company official reported to the Gulf States investigator that on one particular occasion it was known that this foreman not only was being paid for not being there, but happened to be out of town on that particular weekend. Were you aware of that incident?

Mr. RICHARD. Yes, sir. That involved a member of 406, Monroe Brabham.

The CHAIRMAN. That's B-r-a-b-h-a-m?

Mr. RICHARD. Yes, sir.

He was the operator general foreman or carried that title. I overheard part of the planning or the agreement on this between Mr. Freeman and Mr. Brabham.

During this particular time, we were having extremely heavy rains and it was mandatory that one, or two, or more operators be present to operate pumps to keep pumping the water out of the semiprepared areas that we were going to work in. I recall Mr. Brabham approaching Mr. Freeman with the fact that: "Look, I can get 8 or 10 pumps manned, operated around the clock, with one man per shift, but you're going to have to pay me for the time or for the days, the hours, that these operators are here. If you can't go along with that, then I'll put an operator on every pump that you've got out there."

Of course, Freeman agreed to pay Brabham; it didn't make any difference where he was.

The CHAIRMAN. So Brabham said, "If you don't pay me even though I don't come to work"——

Mr. RICHARD. It's going to cost you money.

The CHAIRMAN [continuing]. "It's going to cost you money because I'm going to put more operators than you need on this job." Is that right?

Mr. RICHARD. Yes, sir.

The CHAIRMAN. "Either pay me," he said, "or I'll load this job down with operators that will cost you even more"?

Mr. RICHARD. You're between a rock and a hard place. Which do you want? That's it. He had a choice.

The CHAIRMAN. But the fact is that they were loading the job down with excess of workers?

Mr. RICHARD. Already.

The CHAIRMAN. You're saying this Lee Freeman, your supervisor, he went along because he had no choice?

Mr. RICHARD. No, sir, I felt that he——

The CHAIRMAN. At least he had a choice, but if he wanted to finish a job, he had to go along.

Mr. RICHARD. It was bad to worse. I felt that he may have been a little more easily intimidated than he could have been, but then who knows? I was not involved in all of the transactions. I do know that he gave in.

The CHAIRMAN. I see, the company official that I cited in the last question also told the Gulf States investigator that a woman operator who was in jail was logged in as being on the job. A woman who claimed to be an operating engineer, sitting in jail, was logged in as being on the job. Are you familiar with that?

Mr. RICHARD. I don't recall that, Senator. I wouldn't be surprised. It wouldn't surprise me at all. I don't recall that particular incident.

The CHAIRMAN. Were you aware of any incidents of theft during your 6 months on the Pullman-Torkelson job?

Mr. RICHARD. Yes, sir, theft was very common. Portable generators, water pumps—heck, we had a standing order, "Bring us some more" on a daily basis because they would disappear. The hoses that accompanied these pumps would disappear. In the 1-week period of time I bought two complete master mechanic tool sets for the master mechanic and the mechanic on the site at somewhere slightly above $6,000 apiece, and at the close of this week the dirt work that we were using the operating engineers for was subcontracted to Loftin Construction, and so the operators were laid off or, for most practical purposes, they were all laid off. When I checked to see what remained of my two master mechanic sets, I found two screwdrivers and one toolbox. This had gone by the wayside.

The CHAIRMAN. What does a master mechanic set cost?

Mr. RICHARD. A little over $6,000.

The CHAIRMAN. $6,000?

Mr. RICHARD. Yes, sir; it's quite a nice set of tools.

The CHAIRMAN. Joe Queehan's name came up. Could you tell us about that?

Mr. RICHARD. Yes, sir. Joe was involved in a rental agreement or a subcontract with job C-400. That was the initial job or the first job. On one occasion some equipment that had been transferred or charged to this job—it was a company charge form or transfer form of certain equipment to this job—disappeared or came up missing. In the process of checking equipment reports, this equipment could not be found. Bob Hill, who was then field office manager and purchasing manager for job C-400, had either suspected or someone dropped the word on him, and he went over and some way managed to get into Queehan's equipment trailer. Of course, along with the items that they were looking for at that particular time, they came upon a multitude of pieces of equipment and repair parts, and things of that nature, that, as well, disappeared over a period of time.

The CHAIRMAN. I see.

Mr. Richard, were you or your staff ever threatened by any of these union personnel on the Pullman-Torkelson jobsite?

Mr. RICHARD. Yes, sir. On one occasion—this was on job C-400 then—I arrived one morning and went over to that job because they were without a field office manager. Willard Carlock, Jr., approached me and told me that there had been an accident involving one of the operating engineers that previous night on the night shift, and that the timekeeper who was assigned to the night shift on that job and the company vehicle were nowhere to be found when the accident occurred. They had no facilities for transportation.

He told me that I had best get him off the job or he would be killed.

The CHAIRMAN. Who told you that?

Mr. RICHARD. Willard Carlock, Jr.

The CHAIRMAN. Why did he say that?

Mr. RICHARD. Well, he was hostile because the timekeeper had left the immediate office area that night, for whatever reason—I don't know, but the timekeeper later told me that he had not left the site. He was unaware of the accident but he was still on the site. But in frustration and what seemed to be a high degree of anger, Willard, Jr., told me, "Get him off the site or he will be killed."

The area at the time was very conducive to accidents, anyway, and I didn't really hesitate to believe that it could happen in this particular time.

The CHAIRMAN. I see.

Did you feel threatened yourself at any time?

Mr. RICHARD. I had been told on two or three occasions that something would happen to me. I was never really able to confirm it, and it was never face to face or direct threat. It was always second or third hand.

The CHAIRMAN. But you have some indications that they were going to do bodily harm to you?

Mr. RICHARD. Yes, sir; I had been told.

The CHAIRMAN. OK. What did you do to the timekeeper?

Mr. RICHARD. I reluctantly had a teamster go locate him at his apartment or wherever he was staying, bring him back on the jobsite. I had his time worked up, wrote out a check and signed it, gave it to him, a very brief explanation. I just told him that I felt that it was in his best interest that he be removed from the site and just go. "I hate to see you go," but—the man was a good employee, but I did pay him off and have him driven back where we found him offsite and advised him not to come back into the area.

The CHAIRMAN. Was that Louis Betz, Jr.?

Mr. RICHARD. Yes, sir; that was Louis Betz, Jr.

The CHAIRMAN. B-e-t-z?

Mr. RICHARD. Yes, sir.

The CHAIRMAN. When Willard Carlock, Jr., made this statement, was he by himself or——

Mr. RICHARD. No, sir; he was accompanied by two or three other operators. I don't recall their name. Willard was the spokesman.

The CHAIRMAN. OK. Mr. Richard, did you maintain a log of all the equipment transactions on the Pullman-Torkelson job?

Mr. RICHARD. Yes, sir; we did.

The CHAIRMAN. On all of the rental equipment?

Mr. RICHARD. All the rental equipment, yes, sir.

The CHAIRMAN. What general information did you record in that log? Would it enable you to identify each piece of equipment that was rented or each piece of equipment on the jobsite?

Mr. RICHARD. Yes, sir. The way it was—the equipment record was structured, we had a place for the name of a supplier, the type equipment, the serial number of the equipment, the date that it was received, had comment areas for any discrepancy or any irregularities regarding the condition of the equipment, and a place for the date of return or termination of the equipment.

The CHAIRMAN. Do you recall whether Pullman-Torkelson entered into any equipment transactions with Cat-Low Equipment Company and, if so, could you identify the equipment or the pieces of equipment that were leased from Cat-Low?

Mr. RICHARD. Yes, sir. Normally, a transaction of this type would have gone through my office. However, it bypassed me completely. Lee Freeman again——

The CHAIRMAN. That was the supervisor for Pullman-Torkelson?

Mr. RICHARD. Yes, sir, he was the field superintendent. He made contact with the home office in Salt Lake City, had a purchase order executed for renting a D–8 dozer from Cat-Low. I was unaware of it until the dozer was onsite.

The CHAIRMAN. I see. This was the company owned by Willard Carlock, Jr., and controlled by his father, according to——

Mr. RICHARD. Well, at the time the only knowledge that I had of Cat-Low was it was owned, either entirely or in part, by Willard, Sr., and Willard, Jr.

The CHAIRMAN. I see. As I understand it, you said Mr. Freeman carried out this transaction. He called Salt Lake City direct, had a purchase order written for the lease of this piece of equipment. Is that a fair statement?

Mr. RICHARD. Yes, sir, that is correct.

The CHAIRMAN. And it was a purchase order made out to Cat-Low with a Sulphur address?

Mr. RICHARD. Yes, sir, post office box number in Sulphur.

The CHAIRMAN. Was this dozer ever used on the project?

Mr. RICHARD. To the best of my knowledge, I don't recall it being used. If it was ever used, it was so slight that it was unnoticeable.

The CHAIRMAN. But you paid rent for it every month?

Mr. RICHARD. Yes, sir. In fact, when the dozer arrived, I recall, I am quite certain, seeing that dozer being pulled off of the lowboy that had transported it there, because the dozer was inoperative, wouldn't start.

The CHAIRMAN. Do you agree with Mr. Lovett that the dozer was in bad need of repair work?

Mr. RICHARD. Yes, sir.

The CHAIRMAN. Do you recall personally whether or not it was overhauled and repaired?

Mr. RICHARD. Yes, sir; it was, by Boyce Machinery in Lake Charles.

The CHAIRMAN. As I understand it, it was overhauled; the cooling system was repaired; you replaced the radiator; and you did a number of other things on it; is that correct?

Mr. RICHARD. Yes, sir.

The CHAIRMAN. Did you process the payment for the repairs on that D-8 dozer?

Mr. RICHARD. Yes, sir, I did process the papers from Boyce Machinery to accounts payable in Salt Lake City, UT.

The CHAIRMAN. I see.

Did you continue to make payments while the dozer was being repaired?

Mr. RICHARD. Yes, sir, the lease was ongoing throughout the time.

The CHAIRMAN. That was on a monthly basis?

Mr. RICHARD. I beg your pardon?

The CHAIRMAN. That was on a monthly basis?

Mr. RICHARD. Yes, sir, on a monthly basis, I submitted a receiving report indicating that the dozer had been on hand on the job for this period of time.

The CHAIRMAN. What was the condition of the dozer when it was brought on the jobsite?

Mr. RICHARD. Well, again, Senator, I feel that it had to be towed off. I'm quite sure that I recall seeing this dozer being pulled off of the lowboy that transported it by another dozer that was on the site at the time.

The CHAIRMAN. In other words, it was unable to drive off on its own power; it had to be towed off?

Mr. RICHARD. It could not move under its own power, yes, sir.

The CHAIRMAN. So they towed it off, dropped it on the jobsite, and it was basically inoperable?

Mr. RICHARD. Yes, sir; it was inoperable.

The CHAIRMAN. Until it was repaired?

Mr. RICHARD. We did a good job.

The CHAIRMAN. OK. Well, I take it, then, it was your belief that the dozer was rented and brought to the jobsite actually to be repaired?

Mr. RICHARD. It would seem that way to me. I could think of no other reason.

The CHAIRMAN. If it was a true lease situation, it seems to me——

Mr. RICHARD. Had this been a normal business transaction, and a supplier, a vendor, had delivered a piece of equipment in this condition, he would have been told to just tie on and go back home, get one that will operate and come back and see us. We would not have accepted something of that nature from a bona fide vendor.

The CHAIRMAN. So, again, it was people above you who decided they would have to play ball?

Mr. RICHARD. Yes, sir.

The CHAIRMAN. OK. On the subject of the rental, I would like to refer once again to the sworn statement made to Gulf States by one of your fellow employees at Pullman-Torkelson.

This company official approached Gene Taylor, supervisor of the Pullman-Torkelson project, questioning the rate that they were being charged for the rental. The official told the Gulf States investigator, and I quote, "I had picked up the phone and called four or five local places to see what a new D-8 dozer would have run us. Cat-Low's D-8 dozer was 10 to 15 years old." Do you agree with that?

Mr. RICHARD. Yes, sir; at least.

The CHAIRMAN. He goes on to say, "It would only run a third or a half of the rental fee for a brandnew one, what we were paying per month for that one that wasn't being used that often anyway. The rent was totally and completely out of line."

Does this jibe with your recollection?

Mr. RICHARD. Yes, sir; it's a good summation.

The CHAIRMAN. Do you remember how much per month they paid for the rental of that piece of equipment that didn't work until you overhauled it?

Mr. RICHARD. No, sir; I don't recall the figures. I did process it. It's been 5 years, and I can't come up with the figure.

The CHAIRMAN. Mr. Lovett said that he thought it was around $12,000 a month.

Mr. RICHARD. If he said that, I could believe it very easily.

The CHAIRMAN. I see.

Mr. RICHARD. That and the testimony that you just read indicate that it was severely over the going rate for that piece of equipment. So it would not surprise me at all.

The CHAIRMAN. Do you have any questions?

Senator GRASSLEY. No; I just have a statement.

The CHAIRMAN. Without objection, we will place Senator Grassley's statement in the record at the beginning of the hearing, right after Senator Thurmond's.

I want to thank you for being here and testifying, Mr. Richard.

[The following material was submitted for the record:]

CONTINUATION

Pullman Torkelson Co.

PURCHASE ORDER

REQUISITION NO. 11062

PURCHASE ORDER NUMBER 3043-073

PAGE 2 OF 2

DATE 12/17/79

TO:

Boyce Machinery Corp.

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	EXTENDED TOTAL
		Ship Via: Carrier Name, Ship Dates, Pro. & Trailer Numbers, etc. shall be supplied to the undersigned Purchasing Agent for each shipment, A.S.A.P. Ship To: Pullman Torkelson Company Roy S. Nelson Generating Station Reclaim Tunnel Area Westlake, Louisiana Attn: Lee Freeman Please Mail (4) copies of all invoices for this purchase order to: Pullman Torkelson Company P.O. Box 872 Westlake, La. 70669 Attn: Lee Freeman		

Pullman Torkelson Co.

Subsidiary of Pullman Incorporated

TERMS AND CONDITIONS

In the event Seller's quotation, acknowledgment, confirmation, invoice or other forms state terms additional to or different from those set forth herein, this Purchase Order shall be deemed a notification of objections to such additional and/or different terms and a rejection thereof. This Purchase Order constitutes an offer to purchase, and not an acceptance of any offer to sell, the goods and any services described herein which may be accepted only in accordance with its terms and without modification, addition, deletion or alteration. In the absence of written acceptance or other written confirmation hereof by Seller, the commencement of any work by Seller in pursuance of this order or the making of any deliveries by Seller of the goods and services described herein shall be deemed an acceptance hereof and a contract shall be formed only upon the terms and conditions set forth herein.

1. **DEFINITIONS**: As used in these Terms and Conditions "materials" means any materials, machinery, equipment, article, items of work provided for in this order; "Seller" means the person, firm or corporation to which this order is issued; "Purchaser" means PULLMAN TORKELSON COMPANY and "Owner" means the person, firm or corporation owning the plant for which the materials are purchased or leased under this order.

2. **PURCHASE ORDER:** This Purchase Order, when properly signed by Purchaser and bearing an order number is the only authorization which will be recognized by Purchaser for charges to its account. The order number shown on this purchase order shall be shown on all invoices, packing lists, containers and bills of lading and referred to in all correspondence regarding this order.

3. **FREIGHT CHARGES:** If freight is allowed or purchase made at delivered price, freight charges must be PREPAID. Seller warrants that any transportation costs included in the price will not exceed actual transportation costs paid by Seller. If this order calls for payment of any transportation costs by Purchaser, Purchaser shall in no event be liable or accountable for any amount in excess of the actual costs of transportation. Seller shall be accountable for and pay any excess transportation costs arising from Seller's failure to make delive[illegible] the F.O.B. Point or to follow shipping instructions furnished by Purchaser.

4. **DELAY OR NON-DELIVERY:** If upon receipt of this order, or at any time thereafter, it is found that materials called for cannot be shipped within the time specified in this order, advice must be given immediately to the Procurement Department of Purchaser by mail or telegraph of the best delivery possible. Failure to make conforming shipment on or before the date specified in this order shall entitle Purchaser at its option to cancel the order, without prejudice to any other rights Purchaser may have as a result thereof, provided that Purchaser shall not have such option nor shall Seller be in any way responsible for failure to make shipment at the time stated in this order, if such failure is due to decree of Government, riots, or acts of God such as fire or flood.

5. **CONFORMING GOODS:** Neither the quantity nor the quality of the goods delivered by Seller to Purchaser shall differ from those specified on the face hereof or the documents incorporated therein by reference, nor shall any other modifications of this Purchase Order be effective unless such changed quantity or other modification is first ordered by Purchaser by written change order. Seller shall make no shipment of nonconforming goods, whether as an accommodation or otherwise, unless first authorized in writing by Purchaser.

6. **INSPECTION:** All inspection and tests shall be made as required by the specifications or requirements issued by Purchaser. All materials purchased under this order shall be subject to inspection at the option of the Purchaser, by Purchaser and/or Owner, or other representative of the Purchaser, at all reasonable times and places both before, during and after manufacture or fabrication. If the face of this purchase order specifically requires Purchaser's inspection, please write or wire, as the circumstances may warrant, to the Purchaser at the address shown on the face of this Purchase Order, attention: Procurement Dept., ten days in advance of final test and/or inspection. Seller's notification for inspection must state (1) the item or items ready for inspection and/or tests (2) Purchaser's order number (3) location of plant (4) plant personnel to contact and (5) actual date inspection can proceed. Seller shall not delay fabrication or manufacture pending inspection unless otherwise directed by the Purchaser. If the order requires Owner inspection, Purchaser will be responsible for notifying and making arrangements with the Owner for such inspection. Purchaser's inspector shall be the only authorized inspection ar[illegible]men and all matters, including Owner requirements, shall be handled [illegible] Seller through the Purchaser's inspection. Such inspection or failure to inspect, shall not relieve Seller or any responsibility or liability with respect to such materials nor be interpreted in any way to imply acceptance thereof by Purchaser. Seller shall provide and maintain an inspection system acceptable to the Purchaser covering all materials required by this order. Records of all inspection work by Seller shall be kept complete and available to Purchaser during the performance of this purchase order and for such longer periods as may be specified.

7. **WARRANTIES:** All materials which may be furnished by Seller pursuant to this order (irrespective of whether engineering design, data or information has been reviewed or approved by Purchaser or incorporated in this order) shall be warranted to be new and of the best quality of their respective kinds (unless otherwise authorized by Purchaser), to be free from faulty design (to the extent that such design is not furnished by Purchaser), workmanship or material, and to be of sufficient size and capacity and of proper materials so as to fulfill in all respects such operating conditions, if any, as are specified by Purchaser. If any trouble or defect originating with the design, materials, workmanship or operating characteristics of such materials arises at any time up to one (1) year from the date when such materials are placed in operation (but not later than eighteen (18) months from date of shipment), and Seller is notified thereof, Seller shall, at its own expense and as promptly as possible, make such alterations, repairs and replacements as may be necessary to permit the materials to function in accordance with the specifications and to fulfill the foregoing guarantees. Where the defects or failure to function properly cannot be corrected in this way, Purchaser may, at its option, elect to accept the defective materials with an adjustment in the purchase price or direct that the faulty materials shall be removed at Seller's expense and as promptly as possible, in which event Seller shall either, without cost to Purchaser, furnish proper materials (and, if the faulty materials were installed when removed, install such proper materials without cost to Purchaser), or refund to Purchaser the full purchase price, or such portion thereof as shall then have been paid, as Purchaser shall direct. The foregoing guarantee shall enure to the benefit of Owner.

8. **PATENTS:** Seller represents that it has fully investigated all specifications, including any furnished by Purchaser, in connection with the goods, and based on such investigation and its past experience and superior knowledge with respect to such goods, has determined that the production thereof will not infringe any patent, trademark, trade secret or copyright. Seller warrants to Purchaser and its successors in interest that the sale or use of the goods and any services covered by this order, whether manufactured in accordance with Purchaser's specification or otherwise, do not and will not infringe upon any patent, trademark, trade secret or copyright and Seller shall defend, indemnify and hold Purchaser and its successors in interest and/or Owner free and harmless and against any and all claims, demands, costs and liabilities, including legal expenses, arising out of any such infringement or claim of infringement. Purchaser is relying upon the experience, skill and superior knowledge of Seller with respect to the goods and makes no representation that Seller will be safe in manufacturing the goods as required under this order. In no event shall Purchaser or its successors in interest and/or Owner be liable to Seller for any patent, copyright, trade secret or trademark infringement or claim thereof. In the event Purchaser and/or its successors in interest and/or Owner is or are enjoined from the operation, use and/or sale of the goods or any services, or any part thereof, covered by this order, Seller shall (at its sole expense) take all reasonable steps possible to procure for Purchaser and its successors in interest and/or Owner the right to operate, use and sell said goods or any services, or any part thereof, covered by this order. If Seller cannot so procure the aforesaid right within a reasonable time, Seller shall then promptly (at Seller's sole expense):

(a) Modify said goods or services, or any part thereof, so as to avoid infringement of any patent or other proprietary interest, or

(b) Replace said goods or services, or any part thereof with goods or services which do not infringe or violate any said patent or other proprietary interest, or

(c) Remove said goods or services, or any part thereof, and refund any compensation theretofore paid to Seller and pay to Purchaser and/or Owner any transportation costs and expenses that may have been paid or incurred by Purchaser and/or Owner in connection with the goods of any services, or any part thereof, so removed.

5077 WEST WILEY POST WAY
SALT LAKE CITY, UTAH 84116
(801) 531-6077
ELEX NO. 389410

Pullman Torkelson Co.

PURCHASE ORDER

REQUISITION NO. 11062

PURCHASE ORDER NUMBER 3043-073

PAGE 1 OF 2

DATE 12/17/79

TO:

Boyce Machinery Corp.
5415 E. Broad Street
Lake Charles, LA
Attn: Shirley Stanford

PROJECT Roy S. Nelson Gen Station
Reclaim Tunnel Area

CODE 97-97-03
(Insurance Account)

CIAL NOTE: The attached acceptance copy must be signed by an authorized
resentative of your company and returned within ten (10) days of order date
e above address: attn! Undersigned Purchasing Agent. Unless and until such
d acceptance copy is received here, order is not binding and may be cancelled.

PLEASE ENTER OUR ORDER FOR FURNISHING:

UANTITY	UNIT	DESCRIPTION	UNIT PRICE	EXTENDED TOTAL
		CONFIRMATION		
1	lot	Repairs to engine of D-8 dozer, S/N 46A-21213, on rental from Cat Low Inc. P.O. 3043-063. (see invoice for complete cost breakdown of repairs)		
		Reference your Job # 981277		
		Total Firm Price FOB - Shop Lake Charles		$25,477.65

THIS ORDER IS ALSO SUBJECT TO ALL TERMS AND CONDITIONS ATTACHED HERETO (form PR 18, Latest Revision)

SELLER'S DELIVERY COMMITMENT			TERMS OF PAYMENT	TOTAL PRICE
CHECKED PRELIM DRAWINGS	CERTIFIED DRAWINGS	MATERIAL	See Below	$25,477.65 Firm
		12/14/79 4:00 P.M.	DISCOUNT INVOICES DATED 1ST THROUGH 15TH PAYABLE ON 25TH OF MONTH; 16TH THROUGH END OF MONTH, PAYABLE ON 10TH OF FOLLOWING MONTH. NET INVOICES PAYABLE 20TH OF FOLLOWING MONTH	

IMPORTANT

- PURCHASE ORDER NUMBER MUST BE SHOWN ON ALL INVOICES, SHIPPING PAPERS AND CORRESPONDENCE.
- INVOICE IN QUADRUPLICATE TO ACCOUNTS PAYABLE.

Pullman Torkelson Co.

BY C. Ray Turner

APPROVED C. Ray Turner

CONTINUATION

Pullman Torkelson Co.

PURCHASE ORDER

REQUISITION NO. 11062

PURCHASE ORDER NUMBER 3043-073

PAGE 2 OF 2

DATE 12/17/79

TO:

Boyce Machinery Corp.

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	EXTENDED TOTAL

Ship Via: Carrier Name, Ship Dates, Pro. & Trailer Numbers, etc. shall be supplied to the undersigned Purchasing Agent for each shipment, A.S.A.P.

Ship To: Pullman Torkelson Company
Roy S. Nelson Generating Station
Reclaim Tunnel Area
Westlake, Louisiana
Attn: Lee Freeman

Please Mail (4) copies of all invoices for this purchase order to:

Pullman Torkelson Company
P.O. Box 872
Westlake, La. 70669
Attn: Lee Freeman

ACKNOWLEDGED AND ACCEPTED

BY ______________ DATE ______

THIS ACCEPTANCE COPY MUST BE RETURNED WITHIN 10 DAYS OF ORDER DATE AS PER SPECIAL NOTE ON PAGE 1 OF THIS ORDER

NOTE: IF ORDER VALUE EXCEEDS $10,000 THE SIGNATURE MUST BE BY AN OFFICER OF YOUR COMPANY

BOYCE
MACHINERY CORP.
DRAWER AJ, RESERVE, LA 70084
TELEPHONE (AREA CODE 504) 536-1161

SERVICE INVOICE
BRANCH 2
LAKE CHARLES, LA. 318 439-3801
MORGAN CITY, LA. 504 631-0661
NEW ORLEANS, LA. 504 733-4794

PAGE 11

PULLMAN TORKELSON
P O BOX 872
WESTLAKE
-- LA 70669

CUST. NO.	CUST. ORDER NO.	MAKE	MODEL	SERIAL NO.	INVOICE NO.	DATE
083967	3032-073		D8	46A21213	0981277	1/16/80

TOTAL CATERPILLAR PARTS	12.175.46
TOTAL NON-CATERPILLAR PARTS	372.12
TOTAL EXCHANGE PARTS	1.803.00
TOTAL OTHER CHARGES	172.73
TOTAL HOURLY LABOR	4.960.63
48 4.0% SALES TAX	779.36

ALL BILLS PAYABLE AT DRAWER AJ, RESERVE, LA. 70084

PAY THIS AMOUNT ▶ 20.263.30

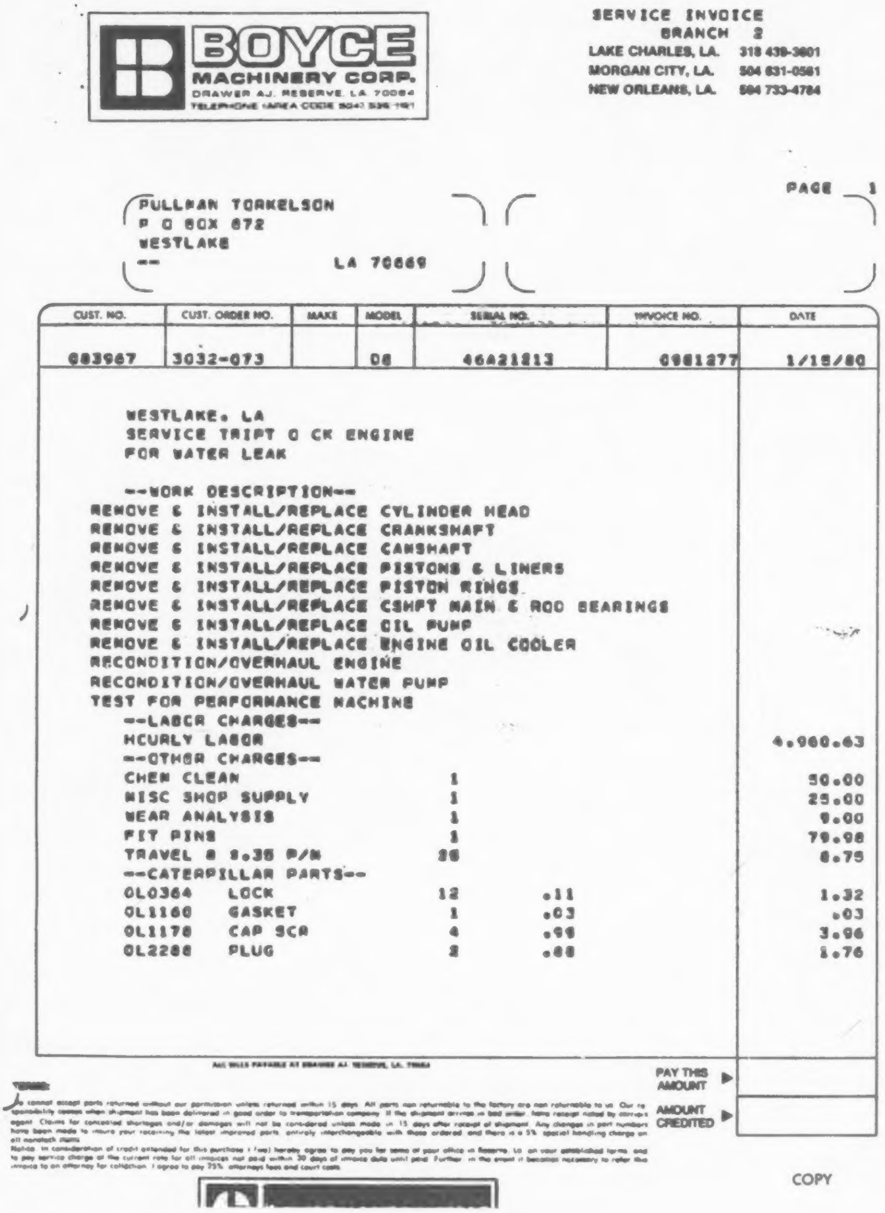
AMOUNT CREDITED ▶

TERMS:

cannot accept parts returned without our permission unless returned within 15 days. All parts non returnable to the factory are non returnable to us. Our responsibility ceases when shipment has been delivered in good order to transportation company. If the shipment arrives in bad order, have receipt noted by carriers agent. Claims for concealed shortages and/or damages will not be considered unless made in 15 days after receipt of shipment. Any changes in part numbers have been made to insure your receiving the latest improved parts, entirely interchangeable with those ordered, and there is a 5% special handling charge on all nonstock items.

Notice: In consideration of credit extended for this purchase I (we) hereby agree to pay you for same at your office in Reserve, La. on your established terms and to pay service charge at the current rate for all invoices not paid within 30 days of invoice date until paid. Further, in the event it becomes necessary to refer this invoice to an attorney for collection, I agree to pay 25% attorneys fees and court costs.

COPY



BOYCE MACHINERY CORP.
DRAWER AJ, RESERVE, LA 70084
TELEPHONE (AREA CODE 504) 536-1181

SERVICE INVOICE
BRANCH 2
LAKE CHARLES, LA. 318 439-3601
MORGAN CITY, LA. 504 631-0561
NEW ORLEANS, LA. 504 733-4784

PAGE 1

PULLMAN TORKELSON
P O BOX 872
WESTLAKE
-- LA 70669

CUST. NO.	CUST. ORDER NO.	MAKE	MODEL	SERIAL NO.	INVOICE NO.	DATE
083967	3032-073		D8	46A21813	0981277	1/15/80

WESTLAKE, LA
SERVICE TRIPT O CK ENGINE
FOR WATER LEAK

--WORK DESCRIPTION--
REMOVE & INSTALL/REPLACE CYLINDER HEAD
REMOVE & INSTALL/REPLACE CRANKSHAFT
REMOVE & INSTALL/REPLACE CAMSHAFT
REMOVE & INSTALL/REPLACE PISTONS & LINERS
REMOVE & INSTALL/REPLACE PISTON RINGS
REMOVE & INSTALL/REPLACE CSHFT MAIN & ROD BEARINGS
REMOVE & INSTALL/REPLACE OIL PUMP
REMOVE & INSTALL/REPLACE ENGINE OIL COOLER
RECONDITION/OVERHAUL ENGINE
RECONDITION/OVERHAUL WATER PUMP
TEST FOR PERFORMANCE MACHINE

--LABOR CHARGES--			
HOURLY LABOR			4,960.63
--OTHER CHARGES--			
CHEM CLEAN	1		50.00
MISC SHOP SUPPLY	1		25.00
WEAR ANALYSIS	1		9.00
FIT PINS	1		79.98
TRAVEL @ $.35 P/M	25		8.75
--CATERPILLAR PARTS--			
0L0364 LOCK	12	.11	1.32
0L1160 GASKET	1	.03	.03
0L1178 CAP SCR	4	.99	3.96
0L2288 PLUG	2	.88	1.76

ALL BILLS PAYABLE AT DRAWER AJ, RESERVE, LA. 70084

PAY THIS AMOUNT ▶

AMOUNT CREDITED ▶

TERMS:

We cannot accept parts returned without our permission unless returned within 15 days. All parts non returnable to the factory are non returnable to us. Our responsibility ceases when shipment has been delivered in good order to transportation company. If the shipment arrives in bad order, have receipt noted by carriers agent. Claims for concealed shortages and/or damages will not be considered unless made in 15 days after receipt of shipment. Any changes in part numbers have been made to insure your receiving the latest improved parts, entirely interchangeable with those ordered and there is a 5% special handling charge on all nonstock items.
Notice: In consideration of credit extended for this purchase I (we) hereby agree to pay you for same at your office in Reserve, La. on your established terms and to pay service charge at the current rate for all invoices not paid within 30 days of invoice date until paid. Further, in the event it becomes necessary to refer this invoice to an attorney for collection, I agree to pay 25% attorneys fees and court costs.

COPY

BOYCE
MACHINERY CORP.
DRAWER AJ. RESERVE, LA 70084
TELEPHONE (AREA CODE 504) 536-1161

SERVICE INVOICE
BRANCH 2
LAKE CHARLES, LA. 318 436-3601
MORGAN CITY, LA. 504 631-0661
NEW ORLEANS, LA. 504 733-4784

PAGE 2

PULLMAN TORKELSON
P O BOX 872
WESTLAKE
LA 70669

CUST. NO.	CUST. ORDER NO.	MAKE	MODEL	SERIAL NO.	INVOICE NO.	DATE
083967	3032-073		D8	46A21213	0961877	1/15/80

0S0519	PLUG	1	1.97	1.97
0S1012	SPRING	2	.79	1.58
0S1571	CAP SCR	2	.17	.34
0S1584	CAP SCR	1	.25	.25
0S1588	CAP SCR	6	.13	.78
0S1590	CAP SCR	24	.19	4.56
0S1591	CAP SCR	6	.16	.96
0S1594	CAP SCR	10	.11	1.10
0S1595	CAP SCR	6	.19	1.14
0S1621	CAP SCR	10	.17	1.70
0T0199	PLUG	1	1.47	1.47
0T0225	GASKET	2	.04	.08
0V0114	LOCK	1	.09	.09
1A0744	SCREW	12	3.92	47.04
1A1898	WASHER	13	2.69	34.97
1A2024	GASKET	1	.29	.29
1A2029	CAPSCRE	1	.11	.11
1A5822	CAPSCRE	6	.36	2.16
1E4203	NUT	14	.03	.42
1E4204	NUT	12	.04	.48
1E4205	NUT	6	.05	.30
1E4333	NUT	13	.48	6.24
1E5357	NUT	6	.05	.30
1E8702	KEY	2	.09	.18
1C1416	PIN	1	.97	.97
1D4572	CAPSCRE	2	.77	1.54
1D4620	CAP SCR	4	3.23	12.92
1D4716	NUT	10	.03	.30
1D4719	NUT	10	.05	.50
1F3278	FITTING	7	1.24	8.68
1F7178	GASKET	1	.40	.40

ALL BILLS PAYABLE AT DRAWER AJ, RESERVE, LA. 70084

PAY THIS AMOUNT ▶	
AMOUNT CREDITED ▶	

TERMS:

We cannot accept parts returned without our permission unless returned within 15 days. All parts non returnable to the factory are non returnable to us. Our responsibility ceases when shipment has been delivered in good order to transportation company. If the shipment arrives in bad order, have receipt noted by carriers agent. Claims for concealed shortages and/or damages will not be considered unless made in 15 days after receipt of shipment. Any changes in part numbers have been made to insure your receiving the latest improved parts, entirely interchangeable with those ordered, and there is a 5% special handling charge on all nonstock items.

Notice: In consideration of credit extended for this purchase I (we) hereby agree to pay you for same at your office in Reserve, La. on your established terms and to pay service charge at the current rate for all invoices not paid within 30 days of invoice date until paid. Further, in the event it becomes necessary to refer this invoice to an attorney for collection, I agree to pay 25% attorneys fees and court costs.

COPY

BOYCE
MACHINERY CORP.
DRAWER AJ, RESERVE, LA 70084
TELEPHONE (AREA CODE 504) 536-1121

SERVICE INVOICE
BRANCH 2

LAKE CHARLES, LA.	318 439-3601
MORGAN CITY, LA.	504 631-0561
NEW ORLEANS, LA.	504 733-4784

PAGE 3

PULLMAN TORKELSON
P O BOX 872
WESTLAKE
-- LA 70669

CUST. NO.	CUST. ORDER NO.	MAKE	MODEL	SERIAL NO.	INVOICE NO.	DATE
083967	3032-073		D8	46A21813	0981277	1/15/80

1F7958	NUT	14	.27	3.78
1J8775	BOLT	2	11.57	23.14
1K2728	WASHER	2	.73	1.46
1M2651	GASKET	1	2.19	2.19
1M2711	GASKET	1	.61	.61
1M3727	SHIM	12	.95	11.40
1M3728	SHIM	4	.84	3.36
1M6594	GASKET	1	2.12	2.12
1P1367	PLUNGER	1	14.15	14.15
1P3409	PUMP A	1	81.38	81.38
1P6441	GASKET	6	1.31	7.86
1P6442	GASKET	6	1.29	7.74
1S2365	ARM A	12	19.21	230.52
1S4281	COVER	1	33.96	33.96
1S4303	BELL	1	55.39	55.39
1S4810	GASKET	1	.48	.48
1S6598	GASKET	1	.39	.39
1S6891	GASKET	1	1.28	1.28
1S8607	BAFFLE	1	124.45	124.45
2A1538	CAPSCRE	4	1.09	4.36
2A5222	GASKET	1	.07	.07
2A5328	LOCK	8	.24	1.92
2B1738	LOCK	5	.44	2.20
2B2994	PIN	2	3.97	7.94
2B3172	NUT	2	.08	.16
2F7941	GASKET	2	1.39	2.78
2H3712	BEARING	1	7.93	7.93
2H3933	SEAL	1	.72	.72
2H4054	GASKET	1	1.25	1.25
2H5571	GASKET	1	.55	.55
2H6338	SEAL	1	.99	.99

ALL BILLS PAYABLE AT DRAWER AJ, RESERVE, LA. 70084

PAY THIS AMOUNT ▶	
AMOUNT CREDITED ▶	

[illegible]:

[illegible] cannot accept parts returned without our permission unless returned within 15 days. All parts non returnable to the factory are non returnable to us. Our responsibility ceases when shipment has been delivered in good order to transportation company. If the shipment arrives in bad order, have receipt noted by carriers agent. Claims for concealed shortages and/or damages will not be considered unless made in 15 days after receipt of shipment. Any changes in part numbers have been made to insure your receiving the latest improved parts, entirely interchangeable with those ordered, and there is a 5% special handling charge on all nonstock items.

Notice: In consideration of credit extended for this purchase I (we) hereby agree to pay you for same at your office in Reserve, La. on your established terms, and to pay service charge at the current rate for all invoices not paid within 30 days of invoice date until paid. Further, in the event it becomes necessary to refer this invoice to an attorney for collection, I agree to pay 25% attorney's fees and court costs.

COPY

BOYCE MACHINERY CORP.
DRAWER AJ, RESERVE, LA 70084
TELEPHONE (AREA CODE 504) 536-1101

SERVICE INVOICE
BRANCH 2

LAKE CHARLES, LA. 318 439-3801
MORGAN CITY, LA. 504 631-0561
NEW ORLEANS, LA. 504 733-4784

PAGE 4

PULLMAN TORKELSON
P O BOX 872
WESTLAKE
-- LA 70669

CUST. NO.	CUST. ORDER NO.	MAKE	MODEL	SERIAL NO.	INVOICE NO.	DATE
083967	3032-073		D8	46A21213	0961277	1/19/80

2H9247	RING	1	2.09	2.09
2J1737	CLAMP	4	1.05	4.20
2J8298	HOSE	1	18.14	18.14
2K5254	ROLLER	3	11.93	35.79
2M5414	GASKET	2	.68	1.36
2P0484	CHAMBER	3	42.39	127.17
2S0795	GASKET	1	1.67	1.67
2S1641	TUBE A	1	46.67	46.67
2S2725	SCREEN	1	36.44	36.44
2S6160	WASHER	1	.57	.57
2S6458	GASKET	1	2.11	2.11
2S8892	PULLEY	1	322.09	322.09
2S9712	SEAL	1	.89	.89
3B1142	RETAINE	6	3.35	20.10
3B1143	LOCK	36	.92	33.12
3B4506	LOCKWAS	17	.02	.34
3B4508	LOCKWAS	30	.06	1.80
3B4512	LOCKWAS	8	.11	.88
3B4514	LOCKWAS	3	.21	.63
3B4605	COTTER	11	.02	.22
3B4607	COTTER	4	.02	.08
3B4612	COTTER	4	.02	.08
3B4615	COTTER	20	.02	.40
3B4617	COTTER	4	.02	.08
3B4629	COTTER	1	.02	.02
3B8024	GASKET	2	2.55	5.10
3B8998	FITTING	3	.80	2.40
3B8999	FITTING	1	1.40	1.40
3B9003	FITTING	4	1.28	5.12
3F6719	LOCK	3	1.11	3.33
3F7473	BUSHING	1	10.41	10.41

ALL BILLS PAYABLE AT DRAWER AJ, RESERVE, LA. 70084

PAY THIS AMOUNT ▶	
AMOUNT CREDITED ▶	

TERMS:

We cannot accept parts returned without our permission unless returned within 15 days. All parts not returnable to the factory are non returnable to us. Our responsibility ceases when shipment has been delivered in good order to transportation company. If the shipment arrives in bad order, have receipt noted by carriers agent. Claims for concealed shortages and/or damages will not be considered unless made in 15 days after receipt of shipment. Any changes in part numbers have been made to insure your receiving the latest improved parts, entirely interchangeable with those ordered, and there is a 5% special handling charge on all nonstock items.

Notice: In consideration of credit extended for this purchase I (we) hereby agree to pay you for same at your office in Reserve, La. on your established terms, and to pay service charge at the current rate for all invoices not paid within 30 days of invoice date until paid. Further, in the event it becomes necessary to refer this invoice to an attorney for collection, I agree to pay 25% attorneys fees and court costs.

COPY

BOYCE
MACHINERY CORP.
DRAWER AJ, RESERVE LA 70084
TELEPHONE (AREA CODE 504) 536-1121

SERVICE INVOICE
BRANCH 2
LAKE CHARLES, LA. 318 439-3601
MORGAN CITY, LA. 504 631-0561
NEW ORLEANS, LA. 504 733-4784

PAGE 5

PULLMAN TORKELSON
P O BOX 872
WESTLAKE
-- LA 70669

CUST. NO.	CUST. ORDER NO	MAKE	MODEL	SERIAL NO.	INVOICE NO.	DATE
083967	3032-073		D8	46A21813	0961377	1/18/80

3F7474	BUSHING	1	12.64	12.64
3H2652	SEAL	1	.69	.69
3H3201	BUSHING	1	10.16	10.16
3H3385	SEAL O	2	.32	.64
3H3387	COUPLIN	1	13.76	13.76
3H3451	LOCK	2	.51	1.02
3H6767	PIN	6	30.43	182.58
3N1414	SPACER	12	2.19	26.28
3S3440	SPRING	1	1.51	1.51
3S3875	SCREEN	1	14.04	14.04
3S4040	PISTON	6	146.06	876.36
3S7200	GASKET	1	1.01	1.01
3S7519	PULLEY	1	295.73	295.73
3S7520	VEE BEL	1	52.97	52.97
4B4280	WASHER	11	.03	.33
4B5273	WASHER	10	.03	.30
4F5640	GASKET	1	.32	.32
4F8824	RING	1	.67	.67
4F9325	GASKET	1	.40	.40
4H3157	KEY	1	2.07	2.07
4H7292	TUBE	2	3.73	7.46
4H7302	GUIDE	12	10.32	123.84
4H8967	BRACKET	1	17.83	17.83
4H8986	WASHER	3	19.45	58.35
4H8997	TUBE A	1	15.32	15.32
4H9026	GASKET	1	11.65	11.65
4H9073	BUSHING	1	12.20	12.20
4H9640	BEARING	6	7.19	43.14
4H9848	LOCK	1	5.41	5.41
4J6064	ELEMENT	3	5.40	16.20
4K0684	WASHER	2	1.43	2.86

ALL BILLS PAYABLE AT DRAWER AJ, RESERVE, LA. 70084

PAY THIS AMOUNT ▶

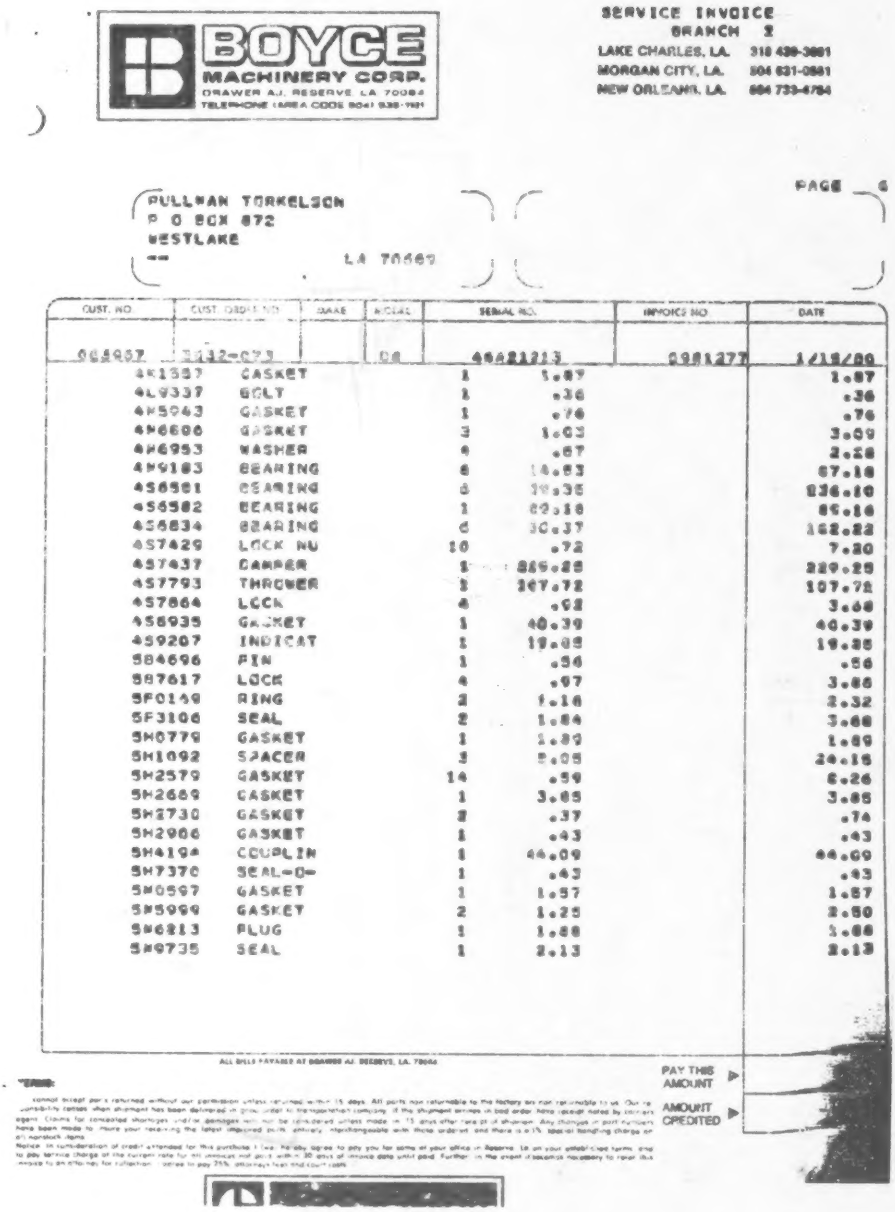
AMOUNT CREDITED ▶

TERMS:

We cannot accept parts returned without our permission unless returned within 15 days. All parts non returnable to the factory are non returnable to us. Our responsibility ceases when shipment has been delivered in good order to transportation company. If the shipment arrives in bad order, have receipt noted by carrier's agent. Claims for concealed shortages and/or damages will not be considered unless made in 15 days after receipt of shipment. Any changes in part numbers have been made to insure your receiving the latest improved parts, entirely interchangeable with those ordered, and there is a 5% special handling charge on all nonstock items.

Notice: In consideration of credit extended for this purchase I/we hereby agree to pay you for same at your office in Reserve, La. on your established terms, and to pay service charge of the current rate for all invoices not paid within 30 days of invoice date until paid. Further, in the event it becomes necessary to refer this invoice to an attorney for collection, I agree to pay 25% attorneys fees and court costs.

COPY



BOYCE
MACHINERY CORP.
DRAWER AJ, RESERVE, LA 70084
TELEPHONE (AREA CODE 504) 536-1121

SERVICE INVOICE
BRANCH 2
LAKE CHARLES, LA. 318 439-3881
MORGAN CITY, LA. 504 631-0861
NEW ORLEANS, LA. 504 733-4784

PAGE 6

PULLMAN TORKELSON
P O BOX 872
WESTLAKE
LA 70669

CUST. NO.	CUST. ORDER NO.	MAKE	MODEL	SERIAL NO.	INVOICE NO.	DATE
064957	3312-073		D8	46A21213	0981277	1/19/80

4K1357	GASKET	1	1.87	1.87
4L9337	BOLT	1	.36	.36
4M5943	GASKET	1	.76	.76
4M6606	GASKET	3	1.03	3.09
4M6953	WASHER	4	.57	2.28
4M9183	BEARING	6	14.53	87.18
4S6581	BEARING	6	39.35	236.10
4S6582	BEARING	1	85.16	85.16
4S6834	BEARING	6	30.37	182.22
4S7429	LOCK NU	10	.72	7.20
4S7437	DAMPER	1	229.25	229.25
4S7793	THROWER	1	107.72	107.72
4S7864	LOCK	4	.92	3.68
4S8935	GASKET	1	40.39	40.39
4S9207	INDICAT	1	19.85	19.85
5B4696	PIN	1	.56	.56
5B7617	LOCK	4	.97	3.88
5F0149	RING	2	1.16	2.32
5F3106	SEAL	2	1.84	3.68
5H0779	GASKET	1	1.89	1.89
5H1092	SPACER	3	8.05	24.15
5H2579	GASKET	14	.59	8.26
5H2689	GASKET	1	3.85	3.85
5H2730	GASKET	2	.37	.74
5H2906	GASKET	1	.43	.43
5H4194	COUPLIN	1	44.09	44.09
5H7370	SEAL-O-	1	.43	.43
5M0597	GASKET	1	1.57	1.57
5M5999	GASKET	2	1.25	2.50
5M6213	PLUG	1	1.88	1.88
5M9735	SEAL	1	2.13	2.13

ALL BILLS PAYABLE AT DRAWER AJ, RESERVE, LA. 70084

PAY THIS AMOUNT ▶

AMOUNT CREDITED ▶

TERMS:

cannot accept parts returned without our permission unless returned within 15 days. All parts non returnable to the factory are non returnable to us. Our responsibility ceases when shipment has been delivered in good order to transportation company. If the shipment arrives in bad order have receipt noted by carriers agent. Claims for concealed shortages and/or damages will not be considered unless made in 15 days after receipt of shipment. Any changes in part numbers have been made to insure your receiving the latest improved parts entirely interchangeable with those ordered and there is a 1% special handling charge on all nonstock items.

Notice: In consideration of credit extended for this purchase I (we) hereby agree to pay you for same at your office in Reserve, La. on your established terms and to pay service charge at the current rate for all invoices not paid within 30 days of invoice date until paid. Further, in the event it becomes necessary to refer this invoice to an attorney for collection I agree to pay 25% attorneys fees and court costs.

BOYCE
MACHINERY CORP.
DRAWER AJ, RESERVE LA 70084
TELEPHONE (AREA CODE 504) 536-1101

SERVICE INVOICE
BRANCH 2

LAKE CHARLES, LA.	318 439-3801
MORGAN CITY, LA.	504 631-0561
NEW ORLEANS, LA.	504 733-4784

PAGE 7

PULLMAN TORKELSON
P O BOX 872
WESTLAKE
-- LA 70669

CUST. NO.	CUST. ORDER NO.	MAKE	MODEL	SERIAL NO.	INVOICE NO.	DATE
083967	3032-073		08	46A21213	0981277	1/15/80

5N9739	SEAL	1	2.99	2.99
5P0597	CLAMP	4	1.95	7.80
5P0598	CLAMP	4	2.32	9.28
5P1198	CH-TUBE	60	.04	2.40
5P1259	CH HOSE	11	.24	2.64
5P1263	CH HOSE	13	.29	3.77
5P1292	CH HOSE	18	.34	6.12
5P3491	GASKET	2	128.86	257.72
5P6513	BUSHING	13	14.96	194.48
5P6766	RACE	2	4.32	8.64
5S0484	ELEMENT	2	2.28	4.56
5S1220	LIFTER	12	24.91	298.92
5S6622	SEAL	1	3.96	3.96
5S8034	LOCK NU	2	2.04	4.08
5S8144	SHIM	2	2.53	5.06
5S8147	SHIM	4	3.05	12.20
6B1124	BEARING	2	2.95	5.90
6B6224	FERRULE	24	.85	20.40
6B6636	BOLT	2	.97	1.94
6B7021	SEAL-O-	2	1.03	2.06
6B8505	SLEEVE	12	12.47	149.64
6B9673	FITTING	1	1.08	1.08
6F4210	PLUNGER	1	3.01	3.01
6F7522	NUT	2	2.13	4.26
6F7767	GASKET	1	.29	.29
6H1R27	RING	2	2.56	5.12
6H2007	GASKET	1	.29	.29
6H3957	BEARING	1	6.45	6.45
6J3575	SEAL	2	2.52	5.04
6J3625	SEAL	7	3.87	27.09
6L5464	GASKET	1	1.59	1.59

ALL BILLS PAYABLE AT DRAWER AJ RESERVE, LA. 70084

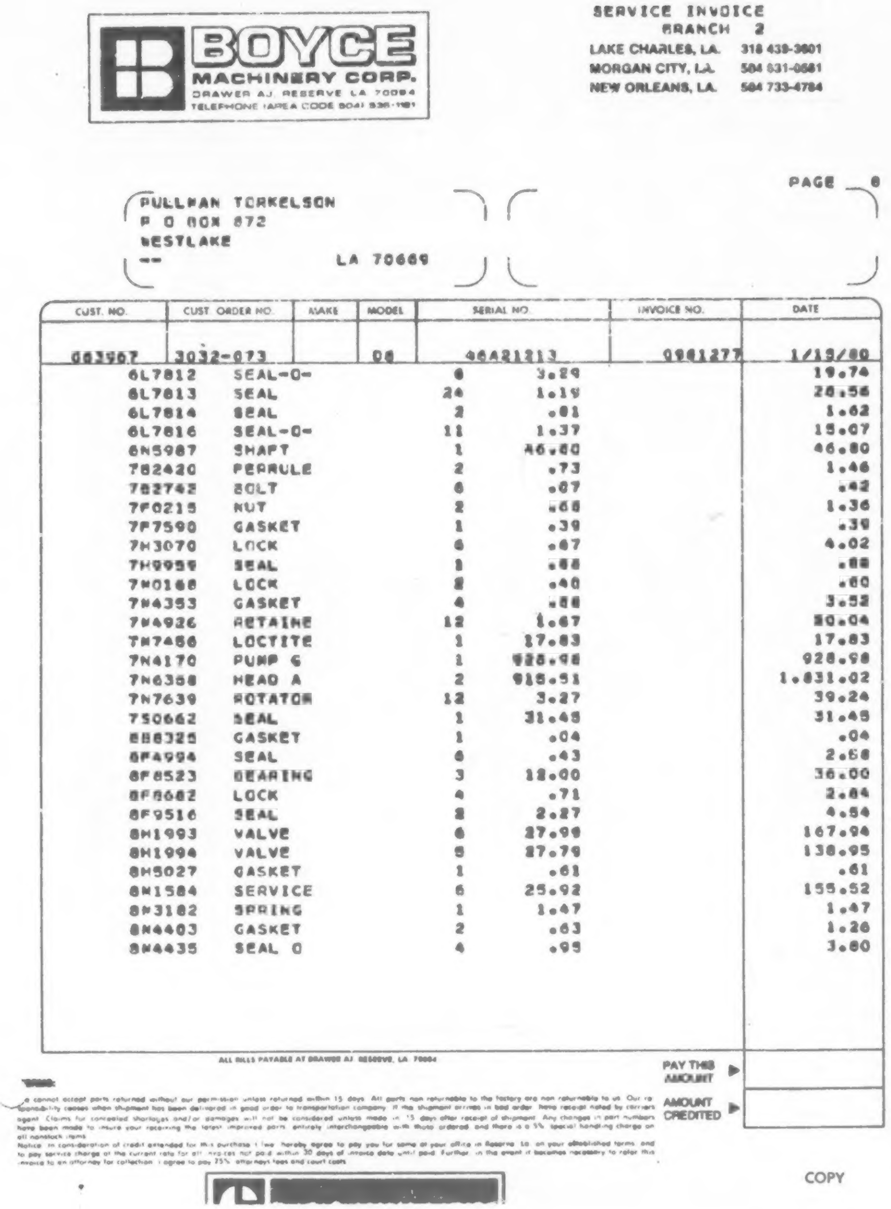
PAY THIS AMOUNT ▶	
AMOUNT CREDITED ▶	

TERMS:

We cannot accept parts returned without our permission unless returned within 15 days. All parts non returnable to the factory are non returnable to us. Our responsibility ceases when shipment has been delivered in good order to transportation company. If the shipment arrives in bad order, have receipt noted by carriers agent. Claims for concealed shortages and/or damages will not be considered unless made in 15 days after receipt of shipment. Any changes in part numbers have been made to insure your receiving the latest improved parts, entirely interchangeable with those ordered, and there is a 5% special handling charge on all nonstock items.

Notice: In consideration of credit extended for this purchase I (we) hereby agree to pay you for same at your office in Reserve, La. on your established terms, and to pay service charge at the current rate for all invoices not paid within 30 days of invoice date until paid. Further, in the event it becomes necessary to refer this invoice to an attorney for collection, I agree to pay 25% attorneys fees and court costs.

COPY



BOYCE
MACHINERY CORP.
DRAWER AJ, RESERVE LA 70084
TELEPHONE (AREA CODE 504) 536-1181

SERVICE INVOICE
BRANCH 2
LAKE CHARLES, LA. 318 439-3601
MORGAN CITY, LA. 504 631-0681
NEW ORLEANS, LA. 504 733-4784

PAGE 8

PULLMAN TORKELSON
P O BOX 872
WESTLAKE
-- LA 70669

CUST. NO.	CUST. ORDER NO.	MAKE	MODEL	SERIAL NO.	INVOICE NO.	DATE
063967	3032-073		D8	46A21213	0981277	1/19/80

6L7812	SEAL-O-	6	3.29	19.74
6L7813	SEAL	24	1.19	28.56
6L7814	SEAL	2	.81	1.62
6L7816	SEAL-O-	11	1.37	15.07
6N5987	SHAFT	1	46.80	46.80
7B2420	FERRULE	2	.73	1.46
7B2742	BOLT	6	.07	.42
7F0215	NUT	2	.68	1.36
7F7590	GASKET	1	.39	.39
7H3070	LOCK	6	.67	4.02
7H9959	SEAL	1	.88	.88
7M0168	LOCK	2	.40	.80
7M4353	GASKET	4	.88	3.52
7M4926	RETAINE	12	1.67	20.04
7N7456	LOCTITE	1	17.83	17.83
7N4170	PUMP G	1	928.98	928.98
7N6358	HEAD A	2	915.51	1.831.02
7N7639	ROTATOR	12	3.27	39.24
7S0662	SEAL	1	31.45	31.45
8B8325	GASKET	1	.04	.04
8F4994	SEAL	6	.43	2.58
8F8523	BEARING	3	12.00	36.00
8F8682	LOCK	4	.71	2.84
8F9516	SEAL	2	2.27	4.54
8H1993	VALVE	6	27.99	167.94
8H1994	VALVE	5	27.79	138.95
8H5027	GASKET	1	.61	.61
8M1584	SERVICE	6	25.92	155.52
8M3182	SPRING	1	1.47	1.47
8M4403	GASKET	2	.63	1.26
8M4435	SEAL O	4	.95	3.80

ALL BILLS PAYABLE AT DRAWER AJ, RESERVE, LA. 70084

PAY THIS AMOUNT ▶

AMOUNT CREDITED ▶

TERMS:

We cannot accept parts returned without our permission unless returned within 15 days. All parts non returnable to the factory are non returnable to us. Our responsibility ceases when shipment has been delivered in good order to transportation company. If the shipment arrives in bad order, have receipt noted by carriers agent. Claims for concealed shortages and/or damages will not be considered unless made in 15 days after receipt of shipment. Any changes in part numbers have been made to insure your receiving the latest improved parts, entirely interchangeable with those ordered, and there is a 5% special handling charge on all nonstock items.

Notice: In consideration of credit extended for this purchase I (we) hereby agree to pay you for same at your office in Reserve, La. on your established terms, and to pay service charge at the current rate for all invoices not paid within 30 days of invoice date until paid. Further, in the event it becomes necessary to refer this invoice to an attorney for collection, I agree to pay 25% attorneys fees and court costs.

COPY

BOYCE
MACHINERY CORP.
DRAWER AJ, RESERVE, LA 70084
TELEPHONE (AREA CODE 504) 536-1101

SERVICE INVOICE
BRANCH 2
LAKE CHARLES, LA. 318 439-3601
MORGAN CITY, LA. 504 631-0561
NEW ORLEANS, LA. 504 733-4794

PAGE 9

PULLMAN TORKELSON
P O BOX 872
WESTLAKE
-- LA 70669

CUST. NO.	CUST. ORDER NO.	MAKE	MODEL	SERIAL NO.	INVOICE NO.	DATE
083967	3032-073		D8	46A21813	0981277	1/18/80

8M4445	SEAL O	1	1.09	1.09
8M4986	SEAL O	2	1.76	3.52
8M4987	SEAL O	9	1.53	13.77
8M4988	SEAL O	3	1.23	3.69
8M4992	SEAL O	4	1.88	7.52
8M5010	SEAL O	4	2.35	9.40
8M5248	SEAL O	1	1.31	1.31
8M5252	SEAL O	2	2.85	5.70
8M5254	SEAL O	1	1.47	1.47
8M7587	LOCK-NU	2	.21	.42
8M8336	VEE BEL	1	7.00	7.00
8M9929	RETAINE	1	6.92	6.92
8N4638	BAND FI	6	3.48	20.88
8N5676	LINER-C	6	77.66	465.96
8S9089	BOLT	4	.52	2.08
9B3133	GASKET	2	2.55	5.10
9H1020	STUD	12	.97	11.64
9H1024	WASHER	10	.48	4.80
9H1262	SERVICE	1	5.75	5.75
9H1288	STUD	12	2.00	24.00
9H8217	GASKET	1	.48	.48
9H8284	SHIM FR	4	1.00	4.00
9H8285	SHIM FR	2	.99	1.98
9M0164	CLAMP	6	1.05	6.30
9M0488	STUD	3	4.79	14.37
9M0673	GASKET	1	1.03	1.03
9M0909	LOCK NU	2	.73	1.46
9M4141	SPARK P	2	1.72	3.44
9M4685	SPRING	1	2.21	2.21
9M6349	SPRING	6	1.84	11.04
9M6350	SPRING	8	3.56	28.48

ALL BILLS PAYABLE AT DRAWER AJ, RESERVE, LA. 70084

PAY THIS AMOUNT ▶	
AMOUNT CREDITED ▶	

TERMS:
We cannot accept parts returned without our permission unless returned within 15 days. All parts non returnable to the factory are non returnable to us. Our responsibility ceases when shipment has been delivered in good order to transportation company. If the shipment arrives in bad order, have receipt noted by carriers agent. Claims for concealed shortages and/or damages will not be considered unless made in 15 days after receipt of shipment. Any changes in part numbers have been made to insure your receiving the latest improved parts, entirely interchangeable with those ordered, and there is a 5% special handling charge on all nonstock items.
Notice: In consideration of credit extended for this purchase I (we) hereby agree to pay you for same at your office in Reserve, La. on your established terms, and to pay service charge at the current rate for all invoices not paid within 30 days of invoice date until paid. Further, in the event it becomes necessary to refer this invoice to an attorney for collection, I agree to pay 25% attorneys fees and court costs.

COPY

BOYCE MACHINERY CORP.
DRAWER AJ RESERVE LA 70084
TELEPHONE (AREA CODE 504) 536-1101

SERVICE INVOICE
BRANCH 2

LAKE CHARLES, LA. 318 439-3601
MORGAN CITY, LA. 504 631-0581
NEW ORLEANS, LA. 504 733-4784

PAGE 10

FULLPAN TORKELSON
P O BOX 872
WESTLAKE
-- LA 70669

CUST. NO.	CUST. ORDER NO.	MAKE	MODEL	SERIAL NO.	INVOICE NO.	DATE
083907	3032-073		D8	46A21213	C981277	1/15/80

995376	GASKET	1	.39	.39
951303	PIN	2	1.71	3.42
953263	COMPOUN	1	17.83	17.83
953265	COMPOUN	1	16.67	16.67
954R30	GASKET	2	596.69	1.193.38
955771	BUSHING	1	803.70	803.70
959160	REGULAT	2	16.37	32.74
		TOTAL CATERPILLAR PARTS		11.098.70
-NON-CATERPILLAR PARTS-				
MISCMG	ANTIFRE	12		79.44
MOIL08	OIL 10	6		94.38
MOIL10	OIL 30	10		198.30
		TOTAL NON-CATERPILLAR PARTS		372.12
--CATERPILLAR PARTS--				
457870	CAMSHAF	1	1.076.76	1.076.76
		TOTAL CATERPILLAR PARTS		1.076.76
--EXCHANGE PARTS--				
457436X	CRA	1	1.803.00	1.803.00
		TOTAL EXCHANGE PARTS		1.803.00

ALL BILLS PAYABLE AT DRAWER AJ, RESERVE, LA. 70084

PAY THIS AMOUNT ▶	
AMOUNT CREDITED ▶	

TERMS

We cannot accept parts returned without our permission unless returned within 15 days. All parts not returnable to the factory are not returnable to us. Our responsibility ceases when shipment has been delivered in good order to transportation company. If the shipment arrives in bad order, have receipt noted by carrier's agent. Claims for concealed shortages and/or damages will not be considered unless made in 15 days after receipt of shipment. Any changes in part numbers have been made to insure your receiving the latest improved parts, entirely interchangeable with those ordered, and there is a 5% special handling charge on all returned items.

Notice: In consideration of credit extended for this purchase I (we) hereby agree to pay you for same at your office in Reserve, La. on your established terms, and to pay service charge at the current rate for all invoices not paid within 30 days of invoice date until paid. Further, in the event it becomes necessary to refer this invoice to an attorney for collection, I agree to pay 25% attorneys fees and court costs.

COPY

BOYCE
MACHINERY CORP.
DRAWER AJ, RESERVE, LA 70084
TELEPHONE (AREA CODE 504) 536-1151

SERVICE INVOICE
BRANCH 2
LAKE CHARLES, LA. 318 439-3801
MORGAN CITY, LA. 504 631-0801
NEW ORLEANS, LA. 504 733-4784

PAGE 11

PULLMAN TORKELSON
P O BOX 872
WESTLAKE
-- LA 70669

CUST. NO.	CUST. ORDER NO.	MAKE	MODEL	SERIAL NO.	INVOICE NO.	DATE
083967	3032-073		D8	44A51813	C981277	1/15/80

TOTAL CATERPILLAR PARTS	12.170.46
TOTAL NON-CATERPILLAR PARTS	378.12
TOTAL EXCHANGE PARTS	1.803.00
TOTAL OTHER CHARGES	172.73
TOTAL HOURLY LABOR	4.960.63
49 4.0% SALES TAX	779.36

ALL BILLS PAYABLE AT DRAWER AJ, RESERVE, LA. 70084

PAY THIS AMOUNT ▶	20.263.30
AMOUNT CREDITED ▶	

TERMS:

COPY

BOYCE MACHINERY CORPORATION

NO. - 1417

CUSTOMER

~~[illegible]~~ 83967

~~LOU CONST.~~ Pullman Construction

~~P.O. BOX 2530~~

~~SULPHUR~~, LA. 70663 W.L.

PO# 3043-073

DATE ENTERED ~~11-12-79~~	DATE PROMISED	DATE COMPLETED
MODEL D8	SERIAL NO. 16A21213	MAKE Cat.
TERMS ~~Rxxx~~ COD		HOUR METER
WORK PERFORMED AT WESTLAKE, LA.		

WORK TO BE DONE

S/T to check engine for water leak..

	WORK CODE	DESCRIPTION	INIT. WHEN COMP.		WORK CODE	DESCRIPTION	INIT. WHEN COMP.
1				16			
2				17			
3				18			
4				19			
5				20			
6				21			
7				22			
8				23			
9				24			
10				25			
11				26			
12				27			
13				28			
14				29			
15				30			

FLAT RATE WORK

WORK CODE	DESCRIPTION	QUAN.	PRICE	WORK CODE	DESCRIPTION	QUAN.	PRICE

CATERPILLAR SERVICE REPORT

ROUTING

[illegible]

1

DEALER CODE 0031	**WORK ORDER** 981277	**CUSTOMER NAME** Cat Somerset.
DATE 11/16/79	**EMPLOYEE IDENTIFICATION** 1156	**EQUIPMENT LOCATION** SC
CATERPILLAR MODEL D8	**CATERPILLAR SERIAL NO.** 46A21213	**INSTRUCTIONS:** Repair waterpump
HOURS	**OR MILES**	

If complaint includes one of the following, check the major item.

1. ☐ PERFORMANCE IS NOT ACCEPTABLE
2. ☐ USES TOO MUCH OIL, FUEL OR COOLANT
3. ☐ TOO MUCH SMOKE, NOISE OR VIBRATION

DESCRIPTION CODES *

A - Structural
B - Surface
C - Leaks
D - Factory Assembly
E - System Malfunction
F - Factory Shipping
G - General Repair
H - Adjustment
K - Serviceability
M - Abuse

PART NUMBER RESPONSIBLE	PART NAME	QTY.	DESC.* CODE	GROUP NUMBER CONTAINING PART	GROUP NAME	DID THIS INCIDENT MAKE THE PRODUCT INOPERABLE?	OPTIONAL COMMENTS (20 SPACES MAXIMUM PER INCIDENT)
25520	Shaft	1	A	551911	Waterpump	☐ Yes ☐ No	
						☐ Yes ☐ No	
						☐ Yes ☐ No	

RELATED SERIAL NUMBERS			COMPONENT ARRANGEMENT/ TEST/SERIAL NUMBERS		LABOR CODE	DESCRIPTION	MAN HOURS
CATERPILLAR		OEM PRODUCT					
MODEL	SERIAL NO.	MAKE/MODEL	COMPONENT	NUMBER			.
		SERIAL NO.					.
		DELIVERY DATE					.
					DATE OF LAST LABOR		.

WHAT DID YOU FIND WRONG? Shaft and seals were bad.

HOW DID YOU CORRECT IT? Assembled pump with new shaft, bolts, washers, locks, key, seals and gaskets.

CUSTOMER SIGNATURE ____________

SERVICEMAN SIGNATURE Malcolm Faulk

CATERPILLAR SERVICE REPORT

ROUTING

01 6439-00/30 00

1

DEALER CODE 0031	WORK ORDER 951277	CUSTOMER NAME	Cat Sou Const.
DATE 11/16/79	EMPLOYEE IDENTIFICATION 1156	EQUIPMENT LOCATION	SC
CATERPILLAR MODEL D8	CATERPILLAR SERIAL NO. 46A21213	INSTRUCTIONS:	Repair Oilpump
HOURS	OR MILES		

If complaint includes one of the following, check the major item.

1. ☐ PERFORMANCE IS NOT ACCEPTABLE 2. ☐ USES TOO MUCH OIL, FUEL OR COOLANT 3. ☐ TOO MUCH SMOKE, NOISE OR VIBRATION

DESCRIPTION CODES *
A - Structure
B - Surface
C - Leaks
D - Factory Assembly
E - System Malfunction
F - Factory Shipping
G - General Repair
H - Adjustment
J - Serviceability
K - Abuse

PART NUMBER RESPONSIBLE	PART NAME	QTY.	DESC.* CODE	GROUP NUMBER CONTAINING PART	GROUP NAME	DID THIS INCIDENT MAKE THE PRODUCT INOPERABLE?	OPTIONAL COMMENTS (30 SPACES MAXIMUM PER INCIDENT)
154309	Body A.	1	A	154381	Oilpump	☐ Yes ☐ No	
154220	Spacer	1	A	154381	Oilpump	☐ Yes ☐ No	
154218	Shaft A.	1	A	154381	Oilpump	☐ Yes ☐ No	

RELATED SERIAL NUMBERS

CATERPILLAR MODEL	CATERPILLAR SERIAL NO.	OEM PRODUCT	COMPONENT ARRANGEMENT/TEST/SERIAL NUMBERS COMPONENT	NUMBER
		MAKE/MODEL		
		SERIAL NO.		
		DELIVERY DATE		

LABOR CODE	DESCRIPTION	MAN HOURS
		.
		.
		.
		.

DATE OF LAST LABOR

WHAT DID YOU FIND WRONG? Body assembly, spacer, all bearings, shafts, shaft assembly and all gears were bad.

HOW DID YOU CORRECT IT? Ordered customer complete new oilpump.

CUSTOMER SIGNATURE

SERVICEMAN SIGNATURE Malcolm Smith

CATERPILLAR SERVICE REPORT

ROUTING

1

DEALER CODE	D031	WORK ORDER	991277	CUSTOMER NAME	Cat Lowe Const.
DATE	11/26/79	EMPLOYEE IDENTIFICATION	1173	EQUIPMENT LOCATION	L C Shop
CATERPILLAR MODEL	D8H	CATERPILLAR SERIAL NO.	46A21213	INSTRUCTIONS:	Rebuild 2 cylinder Head
HOURS		OR MILES			

If complaint includes one of the following, check the major item.

1. ☐ PERFORMANCE IS NOT ACCEPTABLE 2. ☐ USES TOO MUCH OIL, FUEL OR COOLANT 3. ☐ TOO MUCH SMOKE, NOISE OR VIBRATION

DESCRIPTION CODES *
A - Structural
B - Surface
C - Leaks
D - Factory Assembly
E - System Malfunction
F - Factory Shipping
G - General Repair
H - Adjustment
K - Serviceability
M - Abuse

PART NUMBER RESPONSIBLE	PART NAME	QTY.	DESC* CODE	GROUP NUMBER CONTAINING PART	GROUP NAME	DID THIS INCIDENT MAKE THE PRODUCT INOPERABLE?	OPTIONAL COMMENTS (20 SPACES MAXIMUM PER INCIDENT)
4S6575	Head	2	A	4S6575	Head	☐ Yes ☒ No	Cracked Head
9H1544	valve	6	B	4S6579	Head	☐ Yes ☒ No	[illegible]
						☐ Yes ☐ No	

RELATED SERIAL NUMBERS			COMPONENT ARRANGEMENT/ TEST/SERIAL NUMBERS		LABOR CODE	DESCRIPTION	MAN HOURS
CATERPILLAR		OEM PRODUCT					
MODEL	SERIAL NO.	MAKE/MODEL	COMPONENT	NUMBER			.
		SERIAL NO.					.
		DELIVERY DATE					.
					DATE OF LAST LABOR		.

WHAT DID YOU FIND WRONG? I disassemble 2 cylinder head and found both headcracked and valve stem worn

HOW DID YOU CORRECT IT? I order 2 new head, and I installed new valve, valve spring (valve guide) and Rotocoil assembly, I put new precombust chambers with seals and Gaskets

CUSTOMER SIGNATURE

SERVICEMAN SIGNATURE

IF COPY OF THIS PAGE IS BEING SENT

CATERPILLAR SERVICE REPORT

ROUTING

01-04381-03(39.00)

1

EA ODE 0031	WORK ORDER 981277	CUSTOMER NAME Cat Low Inc.
ATE 12/17/79	EMPLOYEE IDENTIFICATION 957	EQUIPMENT LOCATION Lake Charles Shop
ATERPILLAR ODEL D8	CATERPILLAR SERIAL NO. 46A21213	INSTRUCTIONS: STT to check engine for water leaks!
OURS	OR MILES	

complaint includes one of the following, check the major item.

☐ PERFORMANCE IS NOT ACCEPTABLE 2. ☐ USES TOO MUCH OIL, FUEL OR COOLANT 3. ☐ TOO MUCH SMOKE, NOISE OR VIBRATION

DESCRIPTION CODES *
A - Structural
B - Surface
C - Leaks
D - Factory Assembly
E - System Malfunction
F - Factory Shipping
G - General Repair
H - Adjustment
K - Serviceability
N - Abuse

ART NUMBER ESPONSIBLE	PART NAME	QTY.	DESC.* CODE	GROUP NUMBER CONTAINING PART	GROUP NAME	DID THIS INCIDENT MAKE THE PRODUCT INOPERABLE?	OPTIONAL COMMENTS (20 SPACES MAXIMUM PER INCIDENT)
		2	C	7N6358	HEAD ASSEM	☑ Yes ☐ No	HEAD CRACKED
						☐ Yes ☐ No	
						☐ Yes ☐ No	

RELATED SERIAL NUMBERS			COMPONENT ARRANGEMENT/ TEST/SERIAL NUMBERS		LABOR CODE	DESCRIPTION	MAN HOURS
CATERPILLAR		OEM PRODUCT					
ODEL	SERIAL NO.	MAKE/MODEL	COMPONENT	NUMBER			
		SERIAL NO.					
		DELIVERY DATE			DATE OF LAST LABOR		

HAT DID YOU IND WRONG? Pulled heads and found both head were. cracked. Found that the liners + pistons were bad also. Pull engine + torque convertor out of machine. Disassemble engine + order parts. Found head, pistons, crankshaft, camshaft, lifters, bearings, liners + pulleys were all bad.

OW DID YOU CORRECT IT? Installed new heads, pistons, crankshaft, camshaft, lifters, bearings, liners, pulleys, cores, seals + gaskets. Assemble engine + installed convertor on engine. Installed engine + convertor in machine. Test run engine. Check for oil + water leaks. Test run machine out back. Installed anifreeze in radiator.

CUSTOMER SIGNATURE

SERVICEMAN SIGNATURE Gordon Hargrove

The CHAIRMAN. Our next witness was to have been Mr. David Atkins, the construction coordinator for Pullman-Torkelson on the coal-handling subcontracts between January 1, 1980 and April 1, 1981. But due to a last-minute scheduling conflict, Mr. Atkins was unable to be with us today. However, since he was agreeable to testifying and being interviewed by the committee staff, I will place in the record the full statement that he made to the Gulf States Utilities investigative report.

Some of the highlights of that statement are as follows:

One, Mr. Atkins states that by the end of February 1980 actual labor costs were running two to three times above his estimates. He attributed this to overstaffing by the carpenters, laborers, iron workers, and operating engineers union. He estimated that one of the Pullman jobs was 30 to 35 percent overstaffed and the other one was 50- to 60-percent overstaffed.

Two, Mr. Atkins said, "It could be foreseeable that a man could be on the payroll and never be on the jobsite or else come and go at their leisure."

He said Pullman did not have a timekeeper in the field and that no one else but the craft foreman was responsible for turning in a man's time.

For all practical purposes, he said the craft foreman was writing the payroll checks on these jobs.

Three, Mr. Atkins also said that there was "quite a bit of intimidation" of Pullman management by the unions at the jobsite. On one occasion, he said the job superintendent had attempted to fire five carpenters, but the carpenters' steward and general foreman refused to permit the firings.

Mr. Atkins continued, and I quote:

> The operators have thoroughly intimidated Pullman supervision and were featherbedding the job, overstaffing it, and not cooperating with the contract. One of the options Pullman had at that time was to make a complete change in people. They didn't do that. They took the same operators, the same manpower, and just changed hard hats from green to blue, or whatever color, and maintained the same people. From that point forward, the job declined and the labor agreement continued to be ignored.
>
> There were numerous items of basketball goals, barbecue pits, and just about anything you could imagine took place in the operators' area, the maintenance buildings, and their change shacks.
>
> The pile drivers also overmanned job, as well as the carpenters who were working with the pile drivers.
>
> On the C-401 contract there was a tremendous amount of overmanning and featherbedding by carpenters, iron workers, and laborers.

I will place Mr. Atkins' full statement into the record as Atkins exhibit No. 1, without objection.

[Atkins exhibit No. 1 follows:]

Atkins Exhibit #1

STATEMENT BY: DAVE ATKINS
SUBJECT: LABOR/PROJECT MANAGEMENT
DATE: MAY 18, 1982
PAGE 1 OF 30

"PRIVILEGED & CONFIDENTIAL"

This statement, in regards to a certain claim by TKI against Bechtel Power Corporation under its subcontracts 12259-C-400-C-401, is being taken in Westlake, La. at the Sheraton Chateau Charles at 2:20 PM on May 18, 1982.

This statement is being taken from Dave Atkins as an ex-employee of Pullman-Torkelson. It is hereby noted that any statement Mr. Atkins makes in this prepared statement does not reflect an opinion or position of White Construction Company of Lake Charles, Louisiana, his current employer.

This statement is being given to
, a consultant of Bechtel Power Corporation.

In attendance are Mr. Homer White of White Construction Company and of Bechtel Power Corporation.

Q. Mr. Atkins, I ask you to either agree or not agree with the following statement that I will make. That your statement today is being given to voluntarily and without any attempts or suggestions or inducements of any kind having been made to you to do other than give your best and truthful recollection of the events and things which are referred to in the statement to be given by you.

A. I agree.

"PRIVILEGED & CONFIDENTIAL"

Q. Mr. Atkins, are you familiar with a claim dated December 30, 1981, that has been presented to Bechtel Power Corporation by TKI?

A. I am familiar in a cursory way of the claim.

Q. Mr. Atkins, are you aware that this claim may go to litigation in which event you may be called upon to give a sworn deposition or testimony regarding your statement today?

A. I am aware.

Q. Mr. Atkins, will you give me, please, your full name, your address, your telephone number?

A. David M. Atkins, 2844 Country Club Road, Lake Charles, La., (318) 474-5750.

Q. Mr. Atkins, would you briefly describe for me your employment with Pullman-Torkelson, that is the length of time you were with them, and in particular, your assignments on the R. S. Nelson Coal Project of Bechtel Power Corporation?

A. I was hired by Pullman in November, 1979. I went to work in Salt Lake City, January 1, 1980 and stayed with them until April 1, 1981. My tenure on the Nelson Station job varied.

"PRIVILEGED & CONFIDENTIAL"

I came down here the first time at the end of January, 1980 and visited the job off and on, until April, 1981.

Q. When did you leave Pullman-Torkelson?

A. April 1, 1981.

Q. Regarding your work with Pullman-Torkelson, would you briefly describe your general duties and titles in those various functions?

A. I was Construction Coordinator for the Construction Department, reported directly to Gene Taylor as the Manager of Construction, and he was also Program Manager for the subcontracts C-400 and C-401.

Q. Did Mr. Taylor report to Mr. Chet Leonard?

A. Mr. Taylor reported to Mr. Leonard until January 14 or 15, 1980. From that time forward, he reported to Dick Moffat who was President of Pullman. He reported to Mr. Moffat until the summer of 1980. From that point forward he reported to Jim Price as President of Pullman-Torkelson.

Q. Regarding your assignment on site, you said you reported to Mr. Gene Taylor. Is that the only person you reported to directly during your tenure on the site?

A. Yes, I just reported to him but, my job was to assist the construction superintendents in any way I could with scheduling and whatever function they needed. I didn't report to them directly, I just reported to Mr. Taylor.

Q. On the work site, were you responsible for the scheduling of the work on a day-to-day basis? You mentioned that you were responsible to coordinate the activities of the superintendents. Did that involve giving them the weekly or daily plan or work?

A. When I first came down here, Pullman was lacking in any scheduling at that time and they constructed the first schedule on the rotary car dumper. Subsequent to that, the job was turned over to Spencer, White and Prentis. Matter of fact, the second week I was here it was turned over to Spencer, White and Prentis. From that point forward, Spencer, White and Prentis was responsible for their own scheduling. We made recommendations to them but, that was the extent of scheduling on that project. About the scheduling on the 401 contract, we were just getting started constructing the schedule on the work sequence when the contract was turned over to Bechtel Power Corporation.

Q. Did I understand you to say that prior to turning the work over to Bechtel Power Corporation, as a subcontractor

"PRIVILEGED & CONFIDENTIAL"

to Pullman-Torkelson, that there was little, if any, detailed scheduling of the work of Pullman on both C-400 and C-401?

A. Well, there was scheduling. The sequence of work was beginning to take place on the C-400 contract because of the impact of the failure of the cofferdam and the problems involved with it, so the schedule was not finalized. It was not a completely programmed schedule. It was an emergency type schedule. On the C-401 contract they were encountering some construction delays and problems which necessitated re-scheduling and re-thinking their pour sequence on that structure.

Q. Mr. Atkins, do you recall in your work activities at Salt Lake City, prior to the failure of the cofferdam structure, ever seeing a construction schedule other than some broad sequence of work events that you would deem appropriate for constructing a job of this magnitude?

A. There were several schedules generated by Torkelson on both contracts. I am more familiar with the C-401 schedule than the C-400 schedule. I don't recall reviewing the C-400 schedule prior to failure. I know they were both ambitious schedules on the information I had available in Salt Lake City but, as far as the complex CPM schedule, I do not recall seeing one.

"PRIVILEGED & CONFIDENTIAL

Q. Mr. Atkins, do you recall Bechtel insisting on numerous occasions, that Pullman-Torkelson come up with a schedule?

A. I remember that there were several schedules requested. I believe we finally did generate a bar chart schedule on the C-401 contract around the first of March, 1980. That was a general schedule, basically, a bar chart schedule for that job. Now, there were several schedules given to Spencer, White and Prentis on the rotary car dumper when they took it over to proceed with that work. Then, a complex CPM schedule was generated by Spencer, White and Prentis and F. Miller for the pouring of the rotary car dumper structure itself.

Q. Mr. Atkins, was the primary scheduling work by Pullman done in Salt Lake City or was it a function of the field?

A. Apparently, it was done in Salt Lake City. That is where the original schedules were drafted. There were some alterations made and some bar chart schedules produced in the field.

Q. In your opinion, did Pullman-Torkelson have an onsite person that you would qualify as a full-time scheduler?

A. No, they didn't. In the rotary car dumper, MAI McClelland Engineering developed a work sequence and basic schedule sequence for the recovery program. There was no

"PRIVILEGED & CONFIDENTIAL"

time factor or work days applied to that. That particular schedule by McClelland was generated by consultation with Pullman's site superintendent on the rotary car dumper.

Q: Did you participate in the preparation of the Pullman-Torkelson bid? Do you recall the existance of manpower loading curves, by various crafts, that might have existed for the guidance of your field superintendents in the performance of their work?

A. I don't recall exactly, but it seems to me that in the bid package there was a manpower loading chart included with the base schedule, the submitted schedule, and work sequence for both contracts.

Q. Mr. Atkins, let me ask you, if your function was of coordinating the work of your field supervisors, then what basic documents did you have to measure the performance of their work and the level of manpower they were employing against the work to be done?

A. On the rotary car dumper, I was basically involved with the repair activities so that was not a foreseeable estimating job or something you could put a hard number on prior to the contract or prior to the failure of the cofferdam. On the C-401 structure, the active storage structure, we regenerated a field schedule for Pullman to work with manpower based on cubic yards of concrete poured, pounds of re-enforcing steel and square footage of forms, that had to be used for both of the tunnels, the active storage structure and the secondary reclaim.

Q. Having done that, Mr. Atkins, I presume you had constructed some unit-rate costs that, your superintendents, should be able to perform their work against some standard of measurement. Would you briefly talk about the experience of the actual performance against what you had determined to be the standard?

A. On the C-401 contract, when I worked up the schedule for the job, it was at the end of February, 1980. The experience factor with Pullman had been extremely high. I had given Gene Taylor estimated manpower curve and estimated manhours for completion of the active storage structure about the first week in March for his review and put an efficiency factor on the work. At that point, the work had been running 2 to 3 times normal manhour consumption for the work that was in place.

Q. Would you have any comments regarding why you think that factor was running 2 to 3 times your estimated rates?

A. Well, Pullman was having severe labor management problems especially with the carpenters on that particular

"PRIVILEGED & CONFIDENTIAL"

job. Until February, 1980 the dewatering and the water problems in the active storage structure were causing a great deal of problems. They finally had that resolved and got some drainage ditches and limestone laid in along side the base slab of the structure. From that point forward, they concentrated on the tunnel that came out of the active storage and the south end of that particular structure. The forming system being used was somewhat inadequate. Their problems with materials and material availability and the working area, just the general coordination of the job seemed to be very poor. They had changed supervision three or four times on that job and lost continuity and supervision that cost them some time.

Q. Would you give me, please, Mr. Atkins, your observations relative to whether, in your opinion, they were under or over-staffed and, in either of these events, which crafts might have been involved?

A. On the C-400 contract, they were extremely over-staffed with the carpenters, the laborers, a few iron-workers, and a number of operating engineers. On the C-401 contract, if they had phased their work out, appropriately they would have had sufficient work for the number of people they had. But, as the job was being scheduled, they were over-staffed with ironworkers, carpenters and also laborers.

"PRIVILEGED & CONFIDENTIAL"

Q. Mr. Atkins, can you comment on the extent to which you feel Pullman-Torkelson was over-staffed on both the C-400 and C-401 work in the ccurse of their work?

A. I don't recall the exact number of people they had on the payroll at the time, because of the shift work they were involved with on both jobs. But, I would say that on the C-401 contract it was in the 30 to 35 percent range, and the C-400 contract in some crafts, I would say it was 50 to 60 percent over-staffed.

Q. Mr. Atkins, were you responsible for the hiring or was that a matter of the Superintendents?

A. It was the Superintendents who made an effort to establish his work force. Pullman was having some problems with both jobs and the General Foreman doing the hiring and firing for them. There was not a lot of influence from the supervision, from the Superintendent on the job as to who was hired and who was fired.

Q. Can I gather, then, that each Superintendent had the authority to call any of the craft halls and order the men out?

A. That's correct. That was their prerogative.

"PRIVILEGED & CONFIDENTIAL"

Q. Mr. Atkins, was anyone else, besides the Superintendent, authorized as far as Pullman was concerned, to call the various halls and order men out?

A. Yes, the craft General Foreman or Master Mechanic, whichever the case may be, ordered their own people on a number of occasions.

Q. What controls did Pullman have established at the time alley to account, at the time, for these people being hired and by whose authority?

A. At the time alley, all we had was a clerk down there picking badges up and giving them out every morning. The Foreman was usually notified if they had a new employee at the brass alley. They'd go there and pick him up and bring him to the office, for whatever job he was signed up to at that point. He was issued a number by Pullman and given a badge at the Bechtel gate.

Q. With that procedure, Mr. Atkins, would it be possible that an employee was signed up, and indeed, never appear at the work site to work? Would that have been possible?

A. That was a subject of discussion many times around Pullman and it was possible. There were some changes in the brass alley made after the C-401 contract was turned over to Bechtel, and a good long while into the Spencer,

"PRIVILEGED & CONFIDENTIAL"

White and Prentis contract in that a higher level of authority was issued to whomever manned the gate, or the brass alley, in order to eliminate this problem. At the same time, there was a number of people that were coming in and going out the job gate in pickup trucks, or Pullman vehicles. It could be foreseeable a man could be on the payroll and never be on the jobsite or else come and go at their leisure.

Q. Mr. Atkins, to what extent was a man's actual time on the job controlled?

A. Pullman did not have a timekeeper in the field. There was also, any day that you could go to the brass alley and you would find badges not returned or picked up from the previous day. The time was kept by the craft foreman and turned into the office for pay on the time sheets; therefore, no one else but the craft foreman was responsible for turning in the man's time.

Q. I would gather that in effect, though not literally, the craft foreman was, for all practical purposes, writing the payroll checks?

A. The craft foreman turned in the time to the office and it was in turn, put on time sheets by the office staff and was paid from that. So whatever was on the time book was paid to the man.

Q. Then, with possibly some inadequacy at the time alley, whatever the foreman turned in would be paid without, apparently any check and balance as to whether the man was there or not there. Is that a correct assumption?

A. That took place up until, like I said earlier, the changes in the contracts and a more stringent supervision policy was issued by the Foreman to monitor brass alley, monitor the time sheets and to check back and check the time sheets against the books.

Q. Was this before or after Bechtel became a subcontractor to Pullman-Torkelson?

A. It was after Bechtel became a subcontractor on the C-401 project, but it was during the Spencer, White and Prentis contract on the C-400 job, which would have been before Bechtel's involvement with the rotary car dumper.

Q. Do you feel that the control of ordering men out of the hall and accounting for their presence at the work was greatly improved when Bechtel became a subcontractor for Pullman-Torkelson on both C-400 and C-401?

"PRIVILEGED & CONFIDENTIAL"

A. Why yes, it had to be. Pullman had no authority at the time to say who really would be called out from the hall because all they had was the time sheets from Bechtel. If they had a problem with Bechtel's time sheets, or the manning of a job, they would notify Bechtel. It had to improve over the Pullman system, but in effect, Pullman didn't have any influence over it.

Q. Did you have any feeling, Mr. Atkins, whether some of the possible abuses of the manpower control was eliminated, or continued to exist, with Bechtel as a subcontractor to Pullman?

A. The manpower control improved as far as the hiring and firing of the employees, the management of the field staff and the direct hires. As far as improvement in the execution of the work, I think that has to be thoroughly investigated.

Q. I presume you are saying that you don't know without some further information, as to whether the Bechtel productivity with the men was any better or less than that displayed by Pullman?

A. I'm saying that the execution of the work and the program for completion of the project changed on the C-401

"PRIVILEGED & CONFIDENTIAL"

contract. The method of construction that Pullman was working to and the system that Bechtel used, was greatly different. Therefore, it would be hard to say without looking into the productivity per manhour or the units on the job where management had succeeded and where they hadn't.

Q. Mr. Atkins, do you recall at any time, people in the Pullman organization above your level, and again, I understand you were the Coordinator of the field superintendents, coming to you with any expressions of concern or doubts about Bechtel's performance? By that I mean, the realization of an inadequate labor productivity.

A. There were concerns. I went to Gene Taylor numerous times about the budget for completion of the active storage structure and the execution of the work, as well as, the supervision in the field for that particular job from Bechtel. Pullman had not managed labor. They had some pretty tough internal problems above Gene Taylor that were hamstringing him to an extent as to how far he pursued the work productivity and the problems with the budget on the completion of the job. The job after this strike, I guess the work stoppages in '80, never completely got back on track from the production it had established prior to the shut down on the storage unit.

"PRIVILEGED & CONFIDENTIAL"

Q. Mr. Atkins, in your previous response, you indicated that Gene Taylor was being hamstrung in the pursuit of the productivity problems by some internal conflicts that may have existed above his level. Would you care to clarify that?

A. Well, that was my impression, that I received from Gene Taylor. There were a lot of problems at that point in time in March, April, May, June and July. The active storage structure Bechtel had, in the pre-job meeting, when Bechtel took over the C-401 contract, an estimated manhour budget in the 70,000 manhour range. There was still a foreseeable way that Bechtel could complete the structure in something close to that time frame. The biggest priority of Pullman, until July, 1980, was with the rotary car dumper, and the problem with that and the tremendous amount of money that was being spent with Spencer, White and Prentis. That was absorbing most of Gene Taylor's energies, as well as, anybody else involved with the Lake Charles projects.

Q. Mr. Atkins, prior to Bechtel becoming subcontractor to Pullman, I think the statistics of the work, both in terms of percent complete and dollars spent, were quite different than Pullman had expected, based upon their initial bid.

"PRIVILEGED & CONFIDENTIAL"

Do you Sir, recall executives of Pullman-Torkelson, Pullman-Swindel or any of their organizations, calling meetings of all parties concerned, to in any way, account for unsatisfactory performance of the work?

A. In late January, 1980, after I had been at the rotary car dump structure about a week, I made a recommendation to Gene Taylor that we completely shut the job down and start all over again, regroup, untrench the union situation that we had on the jobsite and start over. I was told, at that time, we could not do this because of the contractural agreements with Bechtel and Gulf States Utilities. That was not foreseeable, at all. I went to Houston with Harv Trilly and Dick Moffat to brief them for a meeting on the recovery program with Gene Pereboom and Jack Goodell. We discussed the projected schedule and how best to regroup to complete the rotary car dumper. At that time, the scope of work was changing almost daily on our recovery program because of additional settlement. The freeze system was not taking hold as rapidly, as originally thought, and the needle beams and additional support structure that had to go in the tunnel base. That precluded coming up with a bonified budget on that rotary car dumper. There were numerous meetings with Pullman's people after Jim Price took over as Vice President or Operations Manager of

"PRIVILEGED & CONFIDENTIAL"

Pullman as far as the productivity and the cost of completion of both projects, I believe that was in July or August, 1980.

Q. In that meeting or any of those meetings, did you ever have the feeling, Mr. Atkins, that Bechtel was in any way pressuring or suggesting that they become subcontractors to Pullman or, on the other hand, do you have any feelings or knowledge that Pullman-Torkelson, indeed desired, wanted or initiated the suggestion that Bechtel become their subcontractor?

A. I don't really know. I was never privy to any information that Bechtel was demanded to be the subcontractor or that they were pushing Pullman-Torkelson to that. At the same time, I don't know that Pullman had requested Bechtel's assistance or that Bechtel take over the work. I do know that, on the C-401 project, based on the 70,000 manhours schedule, that Bechtel submitted in a meeting with Dick Moffat and Gene Taylor that was within the budget parameters, it would minimize the loss that Pullman-Torkelson was incurring at the time. On the rotary car dumper, I don't know who would be pushing that contract. Pullman had a hard dollar contract from F. Miller, through Spencer, White and Prentis for the construction of the rotary car dump structure itself. I don't recall the exact manhours in the initial budget estimate when Bechtel took over, but

"PRIVILEGED & CONFIDENTIAL"

it was in line with the budget estimate that F. Miller supplied with their contract. So, I don't know that either way, whether or not Pullman pushed Bechtel into absorbing the contracts or Bechtel pushed Pullman into turning the contracts over to them. I have no knowledge, one way or the other, about that.

Q. Mr. Atkins, in an earlier statement you said that you recommended to Gene Taylor that we shut the job down and get a fresh restart and in effect, if I remember correctly what you said was, to get rid of union intrenchment. Would you clarify that, please?

A. Well, on both jobs we had problems with crafts. On the C-401 project, in January, a Superintendent attempted to fire five carpenters. The steward and the carpenters General Foreman refused to take their checks and give them to the people they wanted to fire. On the rotary car dumper, the operators, in particular, would not cooperate at all with Pullman's people. There was quite a bit of intimidation going back and forth between the operators and Pullman supervision. At the same time, Pullman had a problem with site supervision. Their General Superintendent on C-401 contract when I arrived here, was an ex-craftsman, as was one of the Civil Superintendents on the C-401 project. Both of them seemed to be hesitant about the conflict with the local labor.

"PRIVILEGED & CONFIDENTIAL"

Q. Mr. Atkins, are you aware of construction equipment on the job not being utilized to justify its existence?

A. Yes, there were several pieces of equipment on the site, for one reason or the other, that were not being utilized. Either they were there for standby purposes or else they had maintenance problems and had to be repaired and were not utilized. In some instances, there were some pieces of equipment that were just neglected and left on site long after they should have been terminated.

Q. Are you aware of any equipment that was brought on site and left for any period of time and never utilized?

A. I don't know for sure how long it was utilized on the job, but there was a D8 dozer that came on the job, worked for a relatively short period of time, burned up, and was sent to Boice Machinery for repair. I don't know exactly how long it was on site, or the date it went in for repair. I couldn't find it in Pullman's records. So, I don't know the exact particulars of that job. There were several pieces of equipment that were terminated off the job or parked and the people we were renting the equipment from, was not notified for several months that the equipment had been terminated, therefore, the rental continued on them.

"PRIVILEGED & CONFIDENTIAL"

Q. You mentioned Boice, or some rental, did I understand the word Boice?

A. The dozer was rented from CATLOW Rental Company and it went to Boice Machinery for repairs. That particular machine, I don't know the exact date it came on the job and the exact date it left, but I know the repair bill was somewhere in excess of $25,000.

Q. Mr. Atkins, do you have any feelings, one way or the other, as to who was running the job, that is, was representatives of organized labor running the job or was Pullman supervisors running the job?

A. Well, on the C-401 contract it was pretty obvious that Pullman was making a feeble effort to run the job. Organized labor was getting their way. On the rotary car dumper, because of the parameters, the emergency situations I was involved with, there is no way to say that organized labor was running the job, because there was nothing that went on while Pullman was involved, other than remedial work, and at that, the dictates of that particular job, in the emergency action, the job was extremely over-staffed. It was handled basically by a carpenter general foreman,

"PRIVILEGED & CONFIDENTIAL"

who had been sent up to a superintendent, and the operators determined the pace of work and who did what. That job was extremely out of control during the emergency. I don't know, prior to that, if Pullman had maintained control of the job, or if they hadn't.

Q. Mr. Atkins, when you were on the job, were you aware of the existence of the Stabilization Agreement?

A. Yes, I was, it was in both our contracts.

Q. Then, who did you feel was responsible on the Pullman work to enforce the terms and conditions of that agreement?

A. The agreement was to benefit Pullman; therefore, it should have been enforced by Pullman, or an attempt made to enforce it. When they started having problems, the logical thing to do then was to go to Bechtel's labor relations and receive the support from them, that was necessary to comply with the agreement and execute the work. I do not know definitely whether or not Pullman approached Bechtel, or if they did, what the outcome was. But, the Labor Stabilization Agreement should have benefited both parties and, therefore, should have been a major concern to both Bechtel and Pullman.

"PRIVILEGED & CONFIDENTIAL"

Q. Mr. Atkins, in your personal opinion, as a representative of Pullman, did you feel that it was your primary responsibility to enforce that agreement since it was a part of your contract, or did you personally feel that it was the responsibility of Bechtel to be the primary enforcer of the conditions of the Stabilization Agreement?

A. The labor agreement or the tenets of it, were part of the Pullman contract. Pullman was not signatory to it, but if they were going to do the work, they had to live by that agreement and utilize the wording of it to their best benefit, which they didn't do. It should have been one of their main priorities. Like I said, what assistance they needed in implementing that, and how far they went in trying to gain that assistance from Bechtel, I don't know of any correspondence back and forth between Pullman and Bechtel.

Q. Mr. Atkins, do you recall specific cases or incidents of conditions that Pullman let continue, that were not in accordance with the wording of the Stabilization Agreement and worked to their disadvantage?

A. There were on C-400 contract, prior to Spencer, White and Prentis taking over the job, in February, 1980, the operators had thoroughly intimidated Pullman supervision

"PRIVILEGED & CONFIDENTIAL"

and were featherbedding the job, over-staffing it, not cooperating with a number of the tenets of the Labor Stabilization Agreement. One of the options Pullman had at that time when Spencer, White and Prentis took over was to make a complete change in people. They didn't do that. They took the same operators, same manpower, and just changed hard hats from green to blue, or whatever color, and maintained the same people. From that point forward, the job declined and the Labor Agreement was continued to be ignored. There were numerous items of basketball goals, barbecue pits and just about anything you could imagine took place in the operators area, the maintenance building and their change shacks. The piledrivers also over-manned the job, as well as, the carpenters who were working with the piledrivers. On the C-401 contract there was a tremendous amount of over-manning and featherbedding by carpenters, ironworkers and laborers.

Q. Earlier you had stated that the responsibility of the authority for hiring and persumably the enforcement of the Stabilization Agreement fell in the hands of the various Superintendents. What action, if any, did the Superintendents take, or attempt to take, with Gene Taylor or whomever to attempt to overcome these problems?

"PRIVILEGED & CONFIDENTIAL"

A. You have to keep in mind, that prior to January, and prior to my arrival on the site, Gene Taylor had been there about a month and a half, I believe. He had attempted to make numerous changes. Pullman changed supervision, I believe, on the active storage structure 2 or 3 times during the period he was there, and on the rotary car dumper at least 3 times prior to Spencer, White and Prentis taking over. Gene was advised of the problems and he made some commitments to supervision to make changes. I believe he felt on the rotary car dumper, that if we couldn't shut down the job, there was no feasible way to recover labor. So therefore, the only solution was to subcontract it. On the C-401 contract, the schedule squeeze was on as far as, making production from the time I got involved with it in early February. The main priority at that time, was to get some concrete poured to keep from losing the job, or being put in default on that job. I believe, there were several deadlines set and subsequently, not met. Therefore, the problems with labor during the February, 1980 period on the active storage unit, was basically to work the ones you can, get as much poured as possible and when we get our schedule established, and when we get something going, we will make whatever labor provisions we need to make and cut backs and changes.

Q. Mr. Atkins, do you recall any incident of any personnel

"PRIVILEGED & CONFIDENTIAL"

of Bechtel, applying any pressure on you or anyone of Pullman to use local contractors as a solution to their problems?

A. I don't know whether Bechtel pushed themselves upon Pullman. I know that the schedule of the job was such that it was being pushed on the active storage unit. I never had personal conversations with anyone except Ron Hartel and Warren Horshaur about the schedule on the active storage. Gene Taylor made commitments that we would accomplish specific work items by the first of February, 1980 and that schedule was not met. What provisions were made for Bechtel to take it over, at that time, I do not know. I know Pullman had talked to, I believe, two other contractors about subcontracting that structure. One was Tudor Construction, and I believe, they talked to Graycon, too, about doing some of the work but, I recall the letters of quotation were both cost-plus and Pullman didn't feel there was any way they could go on a straight open-ended cost-plus contract.

Q. Mr. Atkins, while you were assigned at the site, were there regular staff meetings conducted by the senior representative of Pullman on the site? I presume, it being Gene Taylor, wherein, the various problems including the enforcement of the Stabilization Agreement and the correction of those areas where it was not being enforced, that it was being demanded of those superintendents to go out and correct their problems?

A. Yes, we had nearly nightly meetings on both jobs discussing what we wanted to do next. On the rotary car dumper, our meetings mostly involved in what engineering data we had, regarding the failure, how the remedial staffs were going, freeze systems, and that type thing. On the active storage unit, Jim Wilcox, I believe, was the superintendent that tried to fire the five carpenters that wouldn't take their checks. As I said, in our meetings, we were in a schedule squeeze such that the decision was to do whatever necessary, to get the work accomplished, and we would handle the discipline of labor after the job was in a situation where we could do that. That we wouldn't jeopardize the work further, by a work stoppage.

Q. Mr. Wilcox, if I understand, was a superintendent on the active storage building. I presume then, he had the right to hire but apparently, not the right to fire in that one incident. Do you have any information on why he was unable to fire those five particular people?

A. All I know for sure, is one of them was the wife of the carpenter steward on the job and I don't remember the particulars as to what happened or who they were. I do know that one of them was related to the steward and general foreman on the job.

"PRIVILEGED & CONFIDENTIAL"

Q. But, the decision to sustain their continued employment then was not a decision of Mr. Wilcox, but a decision of someone in Pullman higher than him. If that is a correct assumption, who might that be?

A. I believe, it was either Mr. Perry, who was general superintendent at the time, or Gene Taylor. I don't remember the exact date, but it would have to be one of the two.

Q. Mr. Atkins, do you feel that Mr. Gene Taylor had adequate support from those above him in Pullman, to allow him to truly execute the work on the job?

A. I think that Gene had support from Dick Moffat to do whatever was necessary. He didn't receive the support he needed from the Manager of projects, or anyone else in the Pullman organization. The job was in such disarray, and at such a loss, that everybody kinda skattered when the job was mentioned. There wasn't anybody up there that wanted to be associated with it.

Q. I presume that the Manager of projects, that you alluded to, would be Chet Leonard?

A. It would be Chet Leonard prior to mid-January or early February, 1980. After that, it was Brad Ator.

Q. By authority or approval, Mr. Atkins, I mean final authority, that is, if in the judgement of the superintendent he required something, did he have the authority to call a supplier and, indeed, have the materials delivered without any signature above his?

A. By superintendent, I mean the salaried superintendent. Yes, he could purchase practically any item he required for the job, without the project manager's signature with the exception of $3,000 or $4,000, which on occasion required the project manager's approval. If it were an emergency item, it would be requisitioned and signed by the resident construction manager or by the general superintendent. While Gene Taylor was on the site, he had authority to sign any requisition or initiate any purchase order.

Verification:

I have read the foregoing statement, consisting of thirty (30) pages and it is true and correct.

DAVID ATKINS

The CHAIRMAN. Our next witness will be Mr. John Fruge of Lake Charles, LA.

Mr. Fruge, we welcome you to the committee as well.

I understand you are a carpenter by trade; is that correct?

STATEMENT OF JOHN FRUGE, CARPENTER AND SUPERVISOR FOR LOFTIN CONSTRUCTION CO., LOCAL 953, LAKE CHARLES, LA

Mr. FRUGE. Yes, sir.

The CHAIRMAN. You belong to local 953 of the International Brotherhood of Carpenters & Joiners of America?

Mr. FRUGE. That's right.

The CHAIRMAN. When were you employed at the Nelson plant, and what were your job responsibilities?

Mr. FRUGE. I was first employed at the Pullman job on what they called job No. 2 as a carpenter steward. That was in July 1979. I stayed at the job No. 2 level for approximately 2 or 3 months.

The CHAIRMAN. As I understand it, in July, then, you were referred to Pullman's active storage substructure—that was contract C-400—as a carpenter steward?

Mr. FRUGE. Right, No. 2 job.

The CHAIRMAN. Then in October of that same year you were hired by Loftin Construction Co. as a superintendent of the car rotary dumper hole; is that correct?

Mr. FRUGE. Right. From there, when I left as carpenter steward, I went to job No. 1 when Loftin was asked to come in and take over the job because of Pullman not being able to complete their construction on time. So they wanted to get a new contract and see if they could come in and motivate the people and try to get them to finish the job on time.

The CHAIRMAN. So Pullman was actually told to sub out the work to another contractor because of its own inability to do the job in a timely manner?

Mr. FRUGE. Right.

The CHAIRMAN. Is that a fair way to say that?

Mr. FRUGE. Well, Bechtel was the primary, so they asked them to step aside, hire a sub, and let them finish to a certain extent of the contract what they had, which was involving the hole and the rings.

The CHAIRMAN. I understand that you continued to remain with the Loftin group contractor for approximately 3 or 4 months afterward; is that right?

Mr. FRUGE. They hired me as the superintendent over the job.

The CHAIRMAN. OK.

Mr. FRUGE. And I stayed there a period of 3 to 4——

The CHAIRMAN. Three to four months total.

As supervisor for Loftin on the car rotary dumper hole, were you responsible for just the carpenters or for all craft personnel on the job?

Mr. FRUGE. At this present time, I was in charge of all the crafts.

The CHAIRMAN. So you had responsibility over the operating engineers?

Mr. FRUGE. For a short time.

The CHAIRMAN. I guess they were the carpenters, the pile drivers, the iron workers, the laborers, et cetera; is that right?

Mr. FRUGE. Right.

The CHAIRMAN. OK. Did you find these unions cooperative with your management efforts?

Mr. FRUGE. No; they wouldn't. The operators and the carpenters, which I belonged to, and some of the others didn't put up as much as the operators did.

The CHAIRMAN. Most of them you got along well with, but you did have troubles with the operating engineers and the carpenters?

Mr. FRUGE. Right.

The CHAIRMAN. Were either of those unions overstaffed on this job?

Mr. FRUGE. Do you mean overstaffed?

The CHAIRMAN. Yes.

Mr. FRUGE. Oh, definitely, they were way overstaffed. When I decided to take over the job, talking to Loftin, we talked for approximately 2 weeks, and they gave me the whole rundown of the contract, and I wanted to make sure that the job I was fixing to get into I was able to staff it and get the job done. So they had approximately 120 to 130 people employed on job No. 1?

The CHAIRMAN. Who is "they"?

Mr. FRUGE. This if Pullman, Pullman-Torkelson.

The CHAIRMAN. All right.

Mr. FRUGE. With all crafts involved. So when we sat down at the table and tried to restructure the job and tried to get it in a way that we could cut down manpower, because the job didn't need that many people to do it—so we sat down and established a work routine and number of people to do the job. Then from there we went and Loftin took the job but, if I recall, I'm not sure, I think they took it as a hard money job. It was bid. In other words, you take a contract and you do it for so much. So by employing 123 people and knocking them down to 60 people, what we needed to do, that would save on a lot of money. So this is what we tried to do.

The CHAIRMAN. How overstaffed were the operating engineers on this job?

Mr. FRUGE. I would say 50 percent.

The CHAIRMAN. In other words, you needed, as I understand it, maybe 13 or 14 operators, and they had something like 30 to 35?

Mr. FRUGE. At this present time we had established that the job wouldn't need but approximately, I'd say, 10 at this present time.

The CHAIRMAN. Actual operating engineers?

Mr. FRUGE. Actual operating engineers. The quota would rise and lower, but at this present time we needed approximately 10 going into the job.

The CHAIRMAN. But you're saying they always had approximately double what you needed?

Mr. FRUGE. Well, at that time they had probably close to 35, our estimate.

The CHAIRMAN. So, although you only needed 10, they had about 35 on the job?

Mr. FRUGE. Right.

The CHAIRMAN. I see. What did the other 25 do?

Mr. **Fruge**. Stay in the shacks, play cards, watch TV, the same——

The **Chairman**. In other words, they didn't work? They didn't work, then?

Mr. **Fruge**. No.

The **Chairman**. I see; how did the overstaffing affect a worker's daily work habits, if you could describe that for us?

Mr. **Fruge**. The overstaffing of the people, as far as the work habits, you had certain qualified people that were there to do the job, and the overstaffing consisted of unqualified people that wasn't qualified to do the work, which may be 10 people—brothers-in-law, girl friends, stuff like that. Trying to get the job done at this time that we looked into it, it was impossible to do the job with unqualified people, so that prolonged the job. So we tried to establish the qualified people and to get rid of the nonqualified people.

The **Chairman**. Did you ever attempt to layoff the excess manpower?

Mr. **Fruge**. When I took the job over, that was my first goal to do, was dismiss the people that were not needed.

The **Chairman**. I see. Did you encounter any sort of backlash from any layoffs that you tried?

Mr. **Fruge**. Well, the operating engineers didn't want to hear of it at all, because at this present time we only needed approximately 10 to 12 operators to do the job. When I confronted them after a meeting we had, I confronted them, that we'd have to dismiss some of the operators, and my reasoning, I went ahead and felt that I had to give them the reasoning of why at this time I didn't need that many operators, and at a further time we would probably employ them back again, when needed.

Well, I was politely told that, if I didn't need them now, I would end up needing them in the future, so I might as well keep them on the payroll because I'd need them, anyway. This was met with a lot of—well, they didn't want to let them go is what they wanted to do; they wanted to keep them on the payroll.

The **Chairman**. How much were the carpenters overstaffed?

Mr. **Fruge**. The carpenters, percentagewise, I guess 30-, 40-percent overstaffed as far as what they needed on the job.

The **Chairman**. I see. When you say you suffered some sort of backlash from the layoffs, what was that—in the form of slowdowns, machinery breakdowns, equipment problems?

Mr. **Fruge**. Well, on the operating engineers, the threats that were there were obvious. There would be slowdowns, and this was what we didn't want because we took the job to try to speed the job up and get rid of the people that wasn't needed and get through in a manner that it would save the company some money.

So the operators put up a fight as far as saying what would happen: "If you don't keep these people on, the pumps are going to break down, the weather machines won't run, you'll encounter these things. So the people might as well stay on the job."

The **Chairman**. I see. So the people, as I understand it, who were responsible for these two unions being so overmanned were Mr. Robbie Carlysle, the general foreman for the carpenters and the local business agent, and I guess—excuse me, the local business agent was Ronnie Shannon——

Mr. FRUGE. Cannon.

The CHAIRMAN. Cannon. Robbie Carlysle was the the general foreman, and the business agent was Ronnie Cannon. For the operators, Willard Carlock was the business agent, and the master mechanic was Willard Carlock, Jr. Is that right?

Mr. FRUGE. That's right.

The CHAIRMAN. Did I name the right names?

Mr. FRUGE. Right.

The CHAIRMAN. Did Mr. Cannon generally refer qualified carpenters to the job?

Mr. FRUGE. No.

The CHAIRMAN. Well, what do you mean by that?

Mr. FRUGE. At the present time he had just gotten into office and took over his responsibilities as the business agent. The present one was shot and killed. He then took over, ran and took over.

So on this particular job, we had a lot of people on the job that was running that job at that present time, and they wanted their kin people on the job. They wanted over people on the job. So what they'd do is get with Mr. Cannon, and Mr. Cannon would refer these people out to the job. This would happen to be people that were not actually qualified for the job, but they——

The CHAIRMAN. I think you actually mentioned some kin folk, sheriff's department personnel?

Mr. FRUGE. Right.

The CHAIRMAN. People who weren't carpenters?

Mr. FRUGE. Right, they weren't carpenters. They weren't craftsmen of the trade. They'd just come out there on their vacations, time off, weekends off, maybe at nighttime. We had to run the job 24 hours a day, so they would work during the daytime, and nighttime they would be sent out by the business agent to make the extra money.

The CHAIRMAN. As I understand it, he referred Robbie Carlysle's daughter, Kim Carlysle, and other family members?

Mr. FRUGE. Right; Robbie Carlysle at this time was the general foreman on the job No. 1, which was the dumpster hole, and he employed his daughter, who was not a carpenter. She came out as a carpenter, but she was not a——

The CHAIRMAN. Did she know anything about carpentry?

Mr. FRUGE. She could maybe carry a hammer; that's about it.

The CHAIRMAN. That's all she knew?

Mr. FRUGE. That's all she knew.

The CHAIRMAN. She didn't use it?

Mr. FRUGE. No; she took care of the responsibilities of making out the foreman's timesheets and such things as the paperwork and taking care of that for them, which any capable foreman or in supervision the general foreman normally took care of his own paperwork and the foremen took care of their paperwork, and everything went on like that.

The CHAIRMAN. I see; as I understand it, Ronnie Cannon and Robbie Carlysle were good friends with Sheriff Wayne McElvin?

Mr. FRUGE. Right.

The CHAIRMAN. And they had an arrangement where some of his office help would be referred through the hall as either piledrivers or carpenters; is that correct?

Mr. **Fruge**. That's correct.

The **Chairman**. I think you mentioned one occasion where Ronnie Cannon sent Mr. McElvin's secretary, Sandy Gilree?

Mr. **Fruge**. Right, she came out as——

The **Chairman**. She came out as a piledriver?

Mr. **Fruge**. A piledriver. She approximately weighed 130 or 135 pounds, and it's not that the women couldn't do some things on construction jobs, but a piledriver's responsibilities were all physical work. In other words, it would take physical strength to actually do the job.

I had called in for two piledrivers to be sent out, and about 3 hours later I received five. When I called the BA up and asked him: "Mr. Cannon, what was the reason for this? I only asked for two." He said: "Well, I'm going to send you some extra ones. Go ahead and put them to work as a favor to me."

I said: "This woman, what did you send her out for? I can't use her."

He said: "Well, that's Mr. McElvin's secretary. She's off for 2 weeks and she's going through a divorce and needs the money. Try to put her to work."

I said: "Well, I don't think she'll fit in out here anywhere. As far as her capabilities, she's just not—when I talked to her, she said she couldn't do anything. And I asked her for her qualifications, and she told me that she was a secretary."

And I told her what the work would involve, and she said: "Well, I can maybe clean out the shacks for you."

I said: "Well, I have laborers to do that. You come out as a pile driver; you should be able to do a piledriver's job."

And she said: "Well, I can't do it." So she started crying.

I said, "Well, look, I'll tell you what I'm going to do. I'm going to let you work today. I am going to give you a check for 8 hours, and I am going to terminate you."

And she got real upset with that and went to the business agent and also, I guess, to her boss, which was the sheriff, and they didn't like that too much.

The **Chairman**. I see. She wasn't even qualified to do the job, is what you're saying?

Mr. **Fruge**. She wasn't qualified——

The **Chairman**. She didn't even have a union book, as I understand it?

Mr. **Fruge**. No; she was not a union member.

The **Chairman**. I see. So she lasted only that 1 day, then?

Mr. **Fruge**. One day.

The **Chairman**. Did Robbie Carlysle's daughter ghost the payroll? Was she a ghost on the payroll?

Mr. **Fruge**. She would come in on the jobsite probably for 2 or 3 hours, not on an everyday basis, but on certain occasions during the week, maybe 1, maybe 2, and maybe 1 week she'd take off at a time. She would come out. She'd take care of the paperwork from the day before, that morning, which would entitle her to about 1 hour's worth of work. Then she'd leave. But when she received her checks, she was paid for the full day. Some days there was just an 8-hour day but, if the time would permit it, we would have to work overtime. She was also carried on the overtime payroll.

The CHAIRMAN. Even though she didn't work?

Mr. FRUGE. Even though she didn't work.

The CHAIRMAN. So she was really a ghost employee?

Mr. FRUGE. Right.

The CHAIRMAN. We've got a vote on the floor, so I am going to have to run over. It will take me about 5 or 10 minutes. I am going to recess until I can get back. I am sorry to interrupt you right at this point in your testimony, but I really do not have much choice.

Mr. FRUGE. That's fine.

The CHAIRMAN. I want to finish your testimony and then, of course, go to Mr. Le Doux right before we finish the day.

With that, we will recess for about 5 or 10 minutes, until I get back.

[Recess.]

The CHAIRMAN. Let's finish this hearing.

Now we were talking about unqualified people that you had on the job. Did these unqualified people bypass book-carrying members on the carpenters' primary out-of-work list?

Mr. FRUGE. Yes; they did. The way that would happen would be the people that were sent out as favoritism, for whatever reasons, were sent out and, when another job would finish and they had qualified carpenters sitting on the bench at the halls, they would stay there because the unqualified people would stay on the jobs because of their connections with the business agent or family ties.

The CHAIRMAN. In other words, qualified carpenters who earned their cards, who had a right to work, who should have been called first, sat on the bench without work while they put these people who were incompetent on the jobs to inflate the costs and to take care of their cronies, their friends, their girl friends, their secretaries, et cetera?

Mr. FRUGE. Right.

The CHAIRMAN. People who didn't even hold a book?

You know, what really frosts me is that I have been sitting through these types of hearings now for a couple years, and I have had people accuse us of being antiunion, when we are bringing out how qualified members of the union who paid their dues, who learned the trade, who put through the apprenticeship program, are left outside without work while they bring these yokels on there, these friends, and people who aren't qualified, who cannot do the work, who run construction costs up, and who cost jobs for union workers all over America to work.

Mr. FRUGE. That's correct.

The CHAIRMAN. I'll be honest with you, it's very frustrating as the chairman of this committee, because this committee ought to be the most interested of any committee in the world on workers' rights and workers' privileges. That's what we are trying to do here, and yet I have been criticized by certain illustrious members of the press for being antiunion because I have the temerity to bring these matters to the public focus.

Mr. FRUGE. What happens back in Lake Charles, LA, where there is an election of any sort, the people are told to vote for certain people that will back up labor. Primarily what happens is all these people will follow the people that are telling them these things, and people like yourself that try to clean up maybe some of the things that are happening, the good people, get hurt in the long run, and the politicians that are being talked about are some of the politicians that back some of these bad things that are going on.

The CHAIRMAN. What really bothers me is we have been sitting here for 3 years holding these hearings, and in every hearing we have proven our case. In every hearing we have made tremendous—I think there has been tremendous evidence that has proven the rights of various workers, union workers, if you will, across this country, and we have people accusing us of being antiunion.

Let me tell you, I came through the movement. I am not like a lot of these do-gooders out there who claim they are pro-union or claim that they are pro-worker but never do anything about it. I came through the union movement. I learned a trade. I worked in the building construction trade union for many years. I worked side by side with people like you, and I appreciate it, and I appreciate it to this day.

I saw abuses then, and we are seeing them now. Really nothing is being done about it. It kind of bothers me, all the evidence we have had in this case, and we have had certain elements of the media accuse us of being antiunion. My gosh, I wonder who's pro-union.

Mr. FRUGE. The unions are a good thing for people, but it is the people that corrupt them that need to be out of it, not the union people who are the rank and file.

The CHAIRMAN. I agree with that. I agree with that, and I think we ought to have some accurate reporting once in a while on this stuff, too.

Are you familiar with the collapse of the coal storage hole in the car dumper project in early 1980?

Mr. FRUGE. At the time of the collapse I was in charge of the job, and I am full aware of the conditions and——

The CHAIRMAN. Tell us about it.

Mr. FRUGE. OK. The processing of the job No. 1, when it had started to collapse, it started entitling a lot of overtime, a lot of people, extra people, being hired to make up the difference on the jobs, because of the problem that existed with the collapse of the job. Through this, there were more man-hours put into effect and more people hired to get the job done.

The CHAIRMAN. Keep going.

Mr. FRUGE. And I imagine through all of these problems, the work shortages and the work stoppage, and more problems that existed with the collapse of the hole, what they call the hole, caused even more problems to come up during this time.

The CHAIRMAN. As I understand it, Willard Carlock was making demands all the time for more people on the job than were really needed; is that correct?

Mr. FRUGE. We had at this particular time—things were moving along. Through the other statements, you have heard about the actual so-called well points around the hole. They had approximately 188 well points. This process did not take but—I think the estimate on that was four or six operators. It didn't take this many operators to do the job. It only took two on each large unit to pump the water in and pump the water out of the hole to get what they needed done.

The CHAIRMAN. You only needed really one operator to do that, but you allowed them to have two; right?

Mr. FRUGE. Well, at that time we allowed for different things happening. We figured we'd put two, but the job really called for one. All they needed was one operator to watch the equipment.

The CHAIRMAN. When you came on the job, how many operators were there doing this job that only one person could have done?

Mr. FRUGE. When I first came on, there—I would say there was close to 10 people that was assigned to that one particular job.

The CHAIRMAN. How many?

Mr. FRUGE. Ten.

The CHAIRMAN. Ten.

Mr. FRUGE. Five on each side.

The CHAIRMAN. I see, well, you laid some of them off; right?

Mr. FRUGE. At that time I did, but when the hole started collapsing, by this time I had done—gotten rid of the operators. Through the problems that I was having with the operators, I decided, with the people that I was working for, Loftin, after we had a meeting, that we would get rid of the operators, give them back to Pullman-Torkelson.

At this time Robbie Carlysle, the general foreman that we spoke of earlier, he had become the superintendent, the head superintendent for Pullman-Torkelson; in other words, took over the whole project. So, as a subcontractor, Loftin, we were actually now working for Pullman-Torkelson and Robbie Carlysle, which was superintendent over the project.

What we had done, we had a meeting with them, and we told them that the operators were just more than we wanted to deal with with that existing contract; would they take the operating engineers responsibility back.

The CHAIRMAN. What did they say?

Mr. FRUGE. They agreed to it. Robbie Carlysle agreed to it.

The CHAIRMAN. Were you ever threatened while you were working on this particular jobsite?

Mr. FRUGE. I was highly intimidated, not exactly threatened.

The CHAIRMAN. By whom? By whom?

Mr. FRUGE. By Willard Carlock, Jr.

The CHAIRMAN. I see. How did he intimidate you?

Mr. FRUGE. Well, he was explaining to me what would happen to people that didn't agree with certain things, things that happen to the equipment, some people that decided to disagree with this were no longer around, things like that.

The CHAIRMAN. I see. What did you tell him?

Mr. FRUGE. Well, my comment to him was, "I'm running the job. If you don't like it, you know, you do what you have to do and I'll do what I have to do."

The CHAIRMAN. I see.

Mr. FRUGE. And from that, what I decided to do, after talking to the company I was working for, was to get rid of the operators because our objective was to take the job over and try for a higher percentage of production, and the problems that Pullman-Torkelson were encountering on the job, I was also encountering. I had to find ways of getting rid of the problems so that the job could be finished in a timely manner.

The CHAIRMAN. As I understand it, on two occasions you were shot at while you were driving away in your truck; is that right?

Mr. FRUGE. That's correct.

The CHAIRMAN. Did any of the shots hit your truck?

Mr. FRUGE. Sir?

The CHAIRMAN. Did any of the shots hit your truck?

Mr. FRUGE. Oh, definitely, they went through my truck, through one door and out the other. By the time I got out of it, I got out in time. I was shot—they shot through my truck and didn't hit me but damaged my truck.

The CHAIRMAN. Are you aware of any other management people encountering threats or physical abuse on this job?

Mr. FRUGE. There was some people, Mr. Wilcox and a couple of others that I heard of—Joe Wilcox. Yes, Mr. Wilcox. He was threatened, but I didn't actually see the threatening but he was threatened.

The CHAIRMAN. Was anybody beaten up?

Mr. FRUGE. There was one guy that was beaten up out in the Bechtel parking lot. It was a superintendent at that time—that was before I took over the job for Loftin, and he was beaten up. I don't recall his name, but I think it was some operators that did it.

The CHAIRMAN. Mr. Fruge, you told us that you were initially referred to the Pullman-Torkelson project as a job steward. Did this give you control over incoming materials and supplies?

Mr. FRUGE. When I was first sent out to the Pullman job, like you said, I was sent out as a carpenter steward over the craft carpenters. At that time Mr. Richard was out there, and I was given the duties of not exactly going out and buying them, but I was figuring up the material list——

The CHAIRMAN. So you were the materials coordinator?

Mr. FRUGE. More or less, right.

The CHAIRMAN. OK. Now that entitled you to receive and disperse all materials to their respective jobsites; is that right?

Mr. FRUGE. To the carpenters' position, right.

The CHAIRMAN. Whoever needed it?

Mr. FRUGE. Right.

The CHAIRMAN. As I understand it, you would order any and all materials as well?

Mr. FRUGE. What I would do, at this present time I was ordering the material for the superintendent on the job by giving him a material list, and he would ask me; "Where do you get this material?" At that time the supervision was from out of town, from Utah I think. What I did was took over that responsibility, contacting the lumber yards and getting all the material for them, which we were getting at a reasonable discount.

At this time, while I was doing this, I was approached—we're going back into the job now, back to the start of it, when Robbie Carlysle was the general foreman for Pullman Torkelson. While we were in the process of ordering the material and everything, just one day he decided that he would talk to me. He sent a message over to me to come and see him. So I went over to what they called the job 1 and I talked to him. He told me that his father-in-law, which the name of his business was Guy's Cash & Carry Lumber Co., and he asked me where I was getting my material and I told him from various lumber companies. So he told me, he said: "Well, look, if you get your material with us, with my father-in-law, I'll be able to give Pullman on job 2 a discount. "They'll get the material cheaper."

So I talked this over with the superintendent. At this time the superintendent that was in charge now or the general foreman that was in charge was a guy by the name of Wayne Shicksneider. I told him about it, and he said, "Well, that's good. We'll do this."

This went on for approximately 2 or 3 weeks, whatever. We were ordering the material from Guy's Cash & Carry. Then what happened 2 or 3 weeks later, I was then called back to his office or shack——

The CHAIRMAN. This is Robbie Carlysle?

Mr. FRUGE. Robbie Carlysle.

The CHAIRMAN. OK.

Mr. FRUGE. Over on job 1, he called me back. He started explaining to me in a way that—well, I didn't go by myself. At this time there was another guy and he came with me, Mr. Morkentale. He decided, Robbie Carlysle decided, he was going to give us the material at a cost where it would—like, if you're paying $1 but if you buy it from him, you were saving 50 cents on it on $1. He said this savings that we are getting off of it, he said: "You just charge Pullman the regular amount on it, and this percentage that you're saving, we'll give you all that percentage."

We thought about it, and right there and then we told we didn't want to have nothing to do with it. So he said, "Well, you'll need to get something out of this. You all are giving my father-in-law a lot of business. We'll give you something out of it."

I said, "Well, as far as for myself, I don't want anything."

So at this time he promised myself and Mr. Morkentale a pair of cowboy boots. He was fixing to go to Mexico and he'd get us a pair of cowboy boots, which we never received.

So the same tactic that he was using about percentage, I figured, well, that was all legal. It wasn't nothing wrong about it that I could see.

About the time that he was in Mexico—he decided at this time that he's taking a vacation, so he decided to go to Mexico, him and some of the Pullman-Torkelson officials of the company and other people.

So when they went to Mexico, while he was gone, the driver of the truck that would bring in the material, what they call the expediter, he would bring in material for this Guy's Cash & Carry. He would deliver the materials to the job.

I ordered some material one day, and what happened was he made a mistake, and that's how I caught it. The mistake was I had ordered a bundle of plywood, and on a bundle of plywood you get 50 sheets in the bundle. When the plywood come on the job, there was a full bundle and there was another bundle. I thought it very strange because I ordered only one bundle.

He told me at that time, the guy on the truck told me, that was material for the other job. "Oh," I said, "OK, that's no problem. Unload mine right here, you can bring those."

But what in actuality had happened was the material was not supposed to even come on the job. That material was supposed to have been delivered to Robbie Carlysle's house. At that time he was building what turned out to be close to a 6,000-square foot, three-level house.

The story kept going, and after I checked into it, that's how I found out through the driver that that's where this material was supposed to go.

At that time I thought that the material was going to job 2, and what they was in fact doing was charging—the job was all for Pullman, but they had all the bills and everything separated—job 1 over here, 400 and the 401, was all separated.

The **CHAIRMAN**. So what they were doing is, they were taking material that they charged to Pullman and using it to build their homes with?

Mr. **FRUGE**. That's correct.

The **CHAIRMAN**. Or, in this case, Robbie Carlysle's home?

Mr. **FRUGE**. Right.

The **CHAIRMAN**. So what did you do with these invoices? When the invoices came in, you could see that you were being double billed for stuff you didn't need; is that right?

Mr. **FRUGE**. OK. Well, after about 1 week checking into it, I started noticing this—that what was actually happening, we'd order like a bundle of plywood; half of it would come to the jobsite; the other half would go to somebody else.

About this time, whenever I started questioning it and getting into it, and wondering what was going on, and why it was going on, Mr. Carlysle asked to just go ahead and let it lay. "Don't bother with it. Leave it alone."

Well, I then talked to the superintendent about it. He didn't feel that—the general foreman, excuse me—he felt that we'd better just stay out of it and change the lumber company that we were using.

So at this time my responsibilities for materials cooordinator were taken away from me, and I was no longer materials coordinator. They, in turn, gave it to the teamsters. The teamster that was in charge of it was either kin or some relation to Robert Carlysle, so they just kept on with their nice little game that they were playing.

The **CHAIRMAN**. As I take it, these invoices were submitted, these really false invoices were submitted, to——

Mr. **FRUGE**. To Pullman.

The **CHAIRMAN** [continuing]. To Pullman, and they paid them.

Mr. **FRUGE**. And they paid them.

The **CHAIRMAN**. And you couldn't stop that?

Mr. **FRUGE**. Well, we talked about it. At this time there was a labor relations man on the job, a Mr. Peel—I think that was his name; I can't recall his first name. I confronted him with it, and when I told him a little bit of the story, well, he said that he would check into it.

Approximately 2 or 3 weeks later is whenever I was approached for taking over the responsibilities of job 1. When I did, I informed Loftin Construction Co. of the misuse of materials and things that were happening on job 1. So they just took precautionary measures to stay out of it, and it just continued.

The **CHAIRMAN**. So nothing, then, was really done other than the bills were paid by Pullman?

Mr. FRUGE. Well, we figured Mr. Peel, who was the public relations man, with the authority that he had on the job, they would take care of it.

The CHAIRMAN. OK.

Mr. FRUGE. We just sat there, and up until now nothing has ever been done.

The CHAIRMAN. Now, as I understand it, there were other union people that were building their homes with Pullman-Torkelson materials. Ronnie Cannon was one of them; is that right?

Mr. FRUGE. As far as I know, Mr. Cannon received materials from the job, according to Mr.—his name is Petrie; that's right, Mr. Petrie. He was the expediter for Guy's Cash & Carry Lumber Co. that would deliver the material to the jobsite, and he said that he delivered material to Ronnie Cannon's house.

The CHAIRMAN. Ronnie Cannon was business agent for the carpenters; right?

Mr. FRUGE. Right.

The CHAIRMAN. That material was paid for by Pullman; is that right?

Mr. FRUGE. It was paid for by Pullman.

The CHAIRMAN. Did Mr. Carlysle offer to give you anything of value to keep you quiet with regard to these matters of conduct?

Mr. FRUGE. Well, there was some people that was involved with it, and they——

The CHAIRMAN. Let me see if I can—just answer me yes or no on this. You told our investigators that Mr. Carlysle said to you, "You may as well get something out of this." You said in return, "I don't want any money or materials." You told him that he was bound to get caught, and he said; "There's no way I can get caught since my father-in-law owns the lumber company."

Mr. FRUGE. That's correct.

The CHAIRMAN. Is that all correct?

Mr. FRUGE. That's correct.

The CHAIRMAN. Robbie Carlysle, as I understand it, you mentioned before, was going to give you a pair of boots if you cooperated.

Mr. FRUGE. Right.

The CHAIRMAN. That is because you had refused to take any of the money or the lumber; is that correct?

Mr. FRUGE. That's correct.

The CHAIRMAN. Did you consider that offer to keep you quiet and keep your mouth shut?

Mr. FRUGE. It was to agree to let him do what he was doing and not say anything about it.

The CHAIRMAN. As I understand it, Mr. Petrie was the person who worked for Guy's Cash & Carry?

Mr. FRUGE. That's correct.

The CHAIRMAN. He openly admitted to you that he was, in fact, delivering those materials to these persons' homes?

Mr. FRUGE. Right.

The CHAIRMAN. Carlysle and Cannon?

Mr. FRUGE. Right.

The Chairman. He also told you that there were several others on his delivery route that were receiving these materials, didn't he?

Mr. Fruge. That's correct.

The Chairman. OK. As I understand it, you didn't do anything about this because you figured it was none of your business?

Mr. Fruge. At that time, yes.

The Chairman. About 1 month later you accepted a supervisory position with Loftin Construction the car dumper hole project; is that right?

Mr. Fruge. That's right.

The Chairman. Loftin had subcontracted to do some of Pullman's work. As I understand it, you told Loftin that you didn't want responsibility for the men that you had been associated with on the other project because of all the theft that was going on, the stealing that was going on?

Mr. Fruge. Well, at that time——

The Chairman. Is that correct, first?

Mr. Fruge. That's correct.

The Chairman. OK. Go ahead.

Mr. Fruge. At that time the people that were involved with this, we didn't employ them. We hired other people. Pullman was on a standby situation now.

The Chairman. In other words, these people who were getting the materials weren't even working on the job? Is that what you're saying?

Mr. Fruge. No, sir. What I'm saying is the people, through this start of the job that was in with Robbie Carlysle receiving stolen material and taking it home, and things like that, they were working for Pullman-Torkelson. When Loftin took over the responsibilities of the carpenters, we did not accept any of these carpenters that were working out there on our payroll. I tried to get different carpenters that didn't know what was going on out there, involved in theft, and tried to get qualified people out there that weren't involved with the thefts.

The Chairman. All right. So you tried to avoid having those types of people around?

Mr. Fruge. We gave it a special effort to not have anybody involved with it and not to get involved with it, the company, itself.

The Chairman. But Loftin took the position that these invoices involving property, involving materials that they never got, that went to people such as Cannon and Carlysle, Loftin said that wasn't their problem and they weren't going to be involved in it?

Mr. Fruge. Now at this time when Loftin was—had taken over the responsibilities of the contract that they had bid on, Robbie Carlysle at this time had moved up as superintendent for Pullman-Torkelson. So Robbie Carlysle was still doing the same things he had been doing, but Loftin had nothing to do with it. Loftin was working their contract, and what Robbie Carlysle was doing was none of their business.

The Chairman. Mr. Fruge, did you ever total up all these invoices to determine the dollar amount of the stealing that was going on, of the theft that was going on?

Mr. Fruge. I decided one day to check it out on my own and——

The CHAIRMAN. What was the overage?

Mr. FRUGE. Anywhere from $250,000 to $400,000.

The CHAIRMAN. So this was an overage for materials that never came on the job that went somewhere else?

Mr. FRUGE. Right.

The CHAIRMAN. And you know of at least two cases where it went. One was to Cannon's house, and another was to Carlysle's house?

Mr. FRUGE. Yes, Carlysle's house.

The CHAIRMAN. And you're personally familiar with that?

Mr. FRUGE. Mr. Carlysle—I'm personally familiar with that one, and Mr. Cannon, just through Mr. Petrie, I'm familiar with that one.

The CHAIRMAN. Mr. Petrie admitted that one, then?

Mr. FRUGE. Right.

The CHAIRMAN. Now you indicated that Mr. Carlysle's house was something like a 6,000-square foot home with three levels; is that right?

Mr. FRUGE. Correct.

The CHAIRMAN. As I understand it, he also used a lot of limestone and shale; is that true?

Mr. FRUGE. Mr. Carlysle used just about any type of material that would come on the job that was capable of being used to build a house or landscape a yard, or anything that would contribute to that, he used it.

The CHAIRMAN. What percentage of Mr. Carlysle's home would have been built with materials that were supposed to be Pullman's materials or Loftin's materials, but went into his house?

Mr. FRUGE. Percentage wise, I would say 80 percent of his house was built with—I'll give you an example today. He is now employed at Tudor Construction Co., south of Lake Charles. He is the head superintendent of that project right now. What he's doing is the same thing that he has been doing, using the equipment and the manpower to work at his house. While they are supposed to be being paid on the job, they are getting their payroll on the job, but they are actually working at his house.

The CHAIRMAN. You are saying from this job itself about 80 percent of the materials that were going into his home came from that job?

Mr. FRUGE. Right.

The CHAIRMAN. What would you estimate the value of those materials to be that went into his house from the Pullman job?

Mr. FRUGE. Probably in the neighborhood of $100,000.

The CHAIRMAN. I see.

Mr. FRUGE. Maybe less; I'm not——

The CHAIRMAN. But you also indicated that he was using some of these craftsmen to build his home while they were logged in and paid on Pullman's payroll; is that correct?

Mr. FRUGE. That's correct.

The CHAIRMAN. Did Mr. Carlysle have any similar arrangements with other companies besides Guy's Cash and Carry?

Mr. FRUGE. After he started moving up in the positions, he started requiring responsibilities for different companies that supplied him with different things on the jobs. He would do the same thing with them as he was doing with his father-in-law's company.

The **Chairman.** Was Basic Supply one of those companies?

Mr. **Fruge.** Basic Supply was one of them. There were two or three. Basic is the only one that I can recall at this time.

The **Chairman.** Now, as I understand it—and you correct me if I am wrong—Carlysle would order extra supplies but would only get what he really needed. The company would bill Pullman for the full amount. The difference in cost of the total materials that were delivered as compared to that which was ordered would be split between Mr. Carlysle in the form of a credit with the supply store.

Mr. **Fruge.** Correct.

The **Chairman.** He was taking three-wheelers, rifles, et cetera, you told us; is that correct?

Mr. **Fruge.** For his payoffs; right.

The **Chairman.** That's right. He had at one time 50 rifles and 10 or 15 three-wheelers; is that correct?

Mr. **Fruge.** That's correct.

The **Chairman.** And that's how they paid him off?

Mr. **Fruge.** He took that instead of money.

The **Chairman.** As I understand it, he even offered them to you at a low price because he claimed that you were helping him; is that right?

Mr. **Fruge.** Correct.

The **Chairman.** Is it correct what you told us, that you could have bought three-wheelers for $50 and high-powered rifles for $200?

Mr. **Fruge.** Correct.

The **Chairman.** Which was considerably under the market value of those items?

Mr. **Fruge.** Definitely. The guns were probably valued at $400 or $500, and the three-wheelers at $600 to $700.

The **Chairman.** Now, as I understand it, there were four or five operating engineers that were in tight with Mr. Willard Carlock, Sr., and of course Jr. Both of these Carlocks were in tight or very close relationship with Robbie Carlysle; is that correct?

Mr. **Fruge.** That's correct.

The **Chairman.** Now Robbie at that point in time, as I understand it, had control of the operating engineers because he was over the entire project; is that right?

Mr. **Fruge.** That's correct.

The **Chairman.** You told us that Wayne Petrie told you that Mr. Willard Carlock, Sr., was receiving a lot of these stolen materials; is that right?

Mr. **Fruge.** That's correct.

The **Chairman.** Petrie also told you that he was hauling generators and other materials and equipment off the jobsite and he was delivering them to people's homes so that they could use them; is that right?

Mr. **Fruge.** That's correct.

The **Chairman.** And that was done with Robbie Carlysle's blessing?

Mr. **Fruge.** That's correct.

The **Chairman.** And you know about these things?

Mr. **Fruge**. Yes, sir.

The **Chairman**. OK. Mr. Fruge, I appreciate your testimony because it is astounding to me that this type of stuff can go on and the contractors would not report them to the authorities.

Mr. **Fruge**. It is going on right at this time, today, and innocent people are getting blamed for it. Actually, it is people like Mr. Carlysle that is still hanging on to his old tactics and doing the same things.

The **Chairman**. I see.

Well, let's go to our next witness.

We will keep the record open for any statements that any people would like to submit for the record.

Let's go to Mr. James LeDoux of Lake Charles.

Welcome to the committee, Mr. LeDoux.

As I understand it, you have been a member of Operators Local 406 in Lake Charles, LA, for the past 27 years; is that right?

STATEMENT OF JAMES LEE LE DOUX, JR., OPERATING ENGINEER, LOCAL 406, LAKE CHARLES, LA

Mr. **LeDoux**. Yes, sir; that's right.

The **Chairman**. You operate heavy equipment, and you consider yourself skilled in mechanic's work?

Mr. **LeDoux**. Yes, sir.

The **Chairman**. You're a good mechanic?

Mr. **LeDoux**. Well, I keep my own automobiles running.

The **Chairman**. You can do it is what you are saying.

Now, as I understand it, you worked at the Gulf States Power Utilities powerhouse job at the R.S. Nelson station for 2 years, from 1979 to 1981; is that right?

Mr. **LeDoux**. That's right.

The **Chairman**. As I understand it, you worked night shift for 7 months on the rotary car dumper substructure. That's the hole we have been talking about.

Mr. **LeDoux**. That's No. 1, right.

The **Chairman**. That was the subcontractor for Pullman-Torkelson; is that correct?

Mr. **LeDoux**. Yes, sir.

The **Chairman**. During the months that you were employed with Pullman-Torkelson, did you ever do any repair work on the D-8 bulldozer?

Mr. **LeDoux**. Yes, sir, I did.

The **Chairman**. Would you identify for us the owner of that D-8 dozer?

Mr. **LeDoux**. Yes, sir. Carlock, Willard Carlock, Sr.; Willard Carlock, Jr., and his wife—Willie Carlock, Jr.'s ex-wife.

The **Chairman**. OK. That's Janie Carlock——

Mr. **LeDoux**. Yes, sir, that's Janie.

The **Chairman**. Is this the same Willard Carlock, Sr., who is and was the business agent of Operators Local 406 in Lake Charles, LA?

Mr. **LeDoux**. Yes, sir.

The CHAIRMAN. Would you describe the general condition of the D-8 dozer and whether it was operable when it arrived at the Pullman-Torkelson jobsite?

Mr. LEDOUX. Well, it arrived in September, I don't remember exactly what date, but it was September 1979. I was on the second hole. I worked for Pullman-Torkelson two different times, 1979 and 1980. It arrived on our job and it was in very bad shape.

I don't remember it coming off the lowboy, but Ronnie Leger walked to the shop at the time and he mentioned that there were no serial numbers on it. Well, we all laughed about it. I thought it was hot. I thought it was stolen. That made me start watching it.

It was unloaded on our job, the second hole, and it was brought to the first hole. It was supposed to be pushing dirt and it wouldn't push dirt. It didn't have no power. The heads was cracked. We put new heads on it, put a new undercarriage on it, and they put a new radiator on it. I know this for a fact because I was working on the first hole as a fuelman, a grease monkey in other words. I was taking care of the equipment, and I would go back there and I would help them because I didn't have nothing else to do on my job.

The CHAIRMAN. Did this cracked head and these other difficulties occur while it was on the job or did it come that way?

Mr. LEDOUX. No, sir; it came on the job like this. It was precondition. In other words——

The CHAIRMAN. In other words, it came that way?

Mr. LEDOUX. It came this way; right.

The CHAIRMAN. Did it look to you as though it was being brought to the jobsite so it would be repaired at Pullman-Torkelson's——

Mr. LEDOUX. To be repaired—Pullman-Torkelson to repair it. That's what it looked like to me.

If it was my machine, I would have it brought in a right manner.

The CHAIRMAN. I see. Now, Mr. LeDoux, were you ever asked to contribute funds to Willard Carlock when you were working the night shift on the Pullman-Torkelson rotary-car-dumper project at the Gulf States plant?

Mr. LEDOUX. Right; I was.

The CHAIRMAN. That was in 1980?

Mr. LEDOUX. In 1979 and 1980 both.

The CHAIRMAN. Did you contribute any money?

Mr. LEDOUX. Sir?

The CHAIRMAN. Did you contribute any money?

Mr. LEDOUX. Yes, sir; I contributed—at one time I contributed—I borrowed $100 to contribute to Willard Carlock himself. I gave it to him personally. Another time I—this was 1980 and I was working nights. He came out on the job and I handed him approximately $50 personally.

His son had asked for me to contribute money to him, and I told him I would not give no one money but his daddy himself because I wasn't going to line somebody else's pocket. I'm talking about in between myself and Willard Carlock.

The CHAIRMAN. Did he ask for this money because of a so-called Carlock defense fund?

Mr. LEDOUX. Both. Yes. It was defense fund and also it was for contributing to bills that he had acquired from this.

The CHAIRMAN. In other words, he claimed he had some debts and he wanted you to help him pay off his personal debts?

Mr. LEDOUX. Well, that was general knowledge, yes.

The CHAIRMAN. I see.

What were you promised for doing that, or were you promised anything?

Mr. LEDOUX. Well, not directly. It was the understanding that, if I would contribute the money to Willard Carlock and his cronies, that I would stay on the job longer; I would have better working conditions, in other words; I would go on overtime jobs when possible.

The CHAIRMAN. You would be among the last to leave?

Mr. LEDOUX. Right.

The CHAIRMAN. I see.

Could you provide us with the names of those individuals who collected the debt money on the car-dumper-hole project?

Mr. LEDOUX. Gladly. Willard Carlock, Jr.; Mike Greer; Monroe Birmingham; Ronnie Leger; Roland Mays; Byman—no, no, I'm sorry. I'm getting into—those five right there: Ronnie Leger; Monroe Birmingham; Mike Greer; Carlock, Jr., were the ones that collected.

The CHAIRMAN. I see.

Now how often did they ask for these contributions and for how much did they ask?

Mr. LEDOUX. Every week. Well, they would hint that they wanted as much as they could possibly, but everybody usually would give about $100 a week.

The CHAIRMAN. They would give $100 a week, and that's everybody on the job did this?

Mr. LeDoux. Everybody that was on the job.

The CHAIRMAN. Or at least to your knowledge, everybody?

Mr. LEDOUX. That is oilers and all. I'm talking about on the operators' side.

The CHAIRMAN. Could you provide us with a list naming every individual that you have personal knowledge of who made contributions to Mr. Carlock?

Mr. LEDOUX. Well, those first four I named off—his son, Mike Greer—he's one of their cronies—Monroe Brabham, Ronnie Leger, Slim Kemp, Garland Davidson, "Little Man" Cramer, Byman White, Roland Mays, Clyde Shearin, Carl Bow, Jay Thornton, Mike Scimemi, Tomi Scimemi, Mitchell Scimemi. Those hands right there—they all worked on——

The CHAIRMAN. J.J. Cooper, was he one of them?

Mr. LEDOUX. J.J. Cooper was one of them.

The CHAIRMAN. Terry Reeves?

Mr. LEDOUX. Yes, sir, Terry Reeves.

The CHAIRMAN. Clay Grantham?

Mr. LEDOUX. Clay, that's right. Clay Grantham, right.

The CHAIRMAN. In fact, just about everybody you had conversations with admitted that they were——

Mr. LEDOUX. At one time or another.

The CHAIRMAN [continuing]. That they were contributing to the Carlock defense fund or to help him pay off his debts?

Mr. LEDOUX. That's right.

The CHAIRMAN. Mr. LeDoux, would you please explain why it was necessary to install a so-called terra-freeze unit in the car-dumper hole and how this system prevented the hole from further collapse?

Mr. LEDOUX. Well, first off, they installed a liquid nitrogen system to freeze the hole because the walls of the—the east wall was collapsing. It was sinking. The piling weren't driven deep enough. They were approximately 90 feet deep.

They had to freeze it to keep it from collapsing, and then it went from liquid nitrogen to this terra-freeze unit, which is—all it is is a large cooling system. It's to keep the hole frozen.

The CHAIRMAN. What happened? The hole started to collapse?

Mr. LEDOUX. Yes, the hole started collapsing.

The CHAIRMAN. What was the reason for that?

Mr. LeDoux. Well, one reason, the pilings, the steel pilings were not driven deep enough. Then right after that the hole started sinking, and then a big rain came. It washed out some cavities behind that wall.

The CHAIRMAN. I see.

Mr. LEDOUX. And then it dropped about 4 foot about that time.

The CHAIRMAN. Is what happened to the hole just a natural occurrence?

Mr. LEDOUX. No, sir—well, God had something to do with it.

The CHAIRMAN. With the rain?

Mr. LEDOUX. But most of it was because the pilings weren't driven deep enough.

The CHAIRMAN. Well, is that just a mistake or was that deliberate?

Mr. LEDOUX. I can't answer that. I'm not an engineer. Engineers had something to do with it. Whoever engineered the hole to start with ought to have known that they couldn't leave at least a 2 foot or zero footage. It had to have some kind of depth below the pilings to hold it.

The CHAIRMAN. Were you at any time asked to participate in sabotaging the hole?

Mr. LEDOUX. That I was.

The CHAIRMAN. By whom?

Mr. LEDOUX. By Mike Greer and Junior Carlock.

The CHAIRMAN. Junior Carlock? Willard Carlock, Jr.?

Mr. LEDOUX. Sir?

The CHAIRMAN. Willard Carlock, Jr., asked you?

Mr. LEDOUX. Willard Carlock, Jr., and Mike Greer.

The CHAIRMAN. And Mike Greer.

What exactly did they tell you to do?

Mr. LEDOUX. They told me to go down in the hole and loosen some clamps on some rubber hoses that was on this terra-freeze unit, so it would start leaking to where the brine system would go.

The CHAIRMAN. If you loosen the clamps, that would let the brine out of the system; right?

Mr. LEDOUX. Right; yes, sir.

The CHAIRMAN. Then what would happen? Once the brine ran out of the system, that meant that the freezing effect wouldn't occur; is that right?

Mr. LEDOUX. It would have started a thawing out process, right.

The CHAIRMAN. OK. So if the brine line was sabotaged and the brine was lost out of the line, then the ground would thaw out, and that would require more work?

Mr. LEDOUX. That's right; it would require more work for operating engineers.

The CHAIRMAN. And to refreeze the unit?

Mr. LEDOUX. Right; and then we would have to refreeze the unit. You have to have liquid nitrogen to do that.

The CHAIRMAN. What did you tell them when they asked you to sabotage the unit?

Mr. LEDOUX. I told them I wouldn't do it.

The CHAIRMAN. OK. Was it sabotaged, anyway?

Mr. LEDOUX. Yes, sir, it was sabotaged the next night, the next working day, I mean my working day. I was working——

The CHAIRMAN. Do you know who did that?

Mr. LEDOUX. Yes, sir. Cramer. We call him little man.

The CHAIRMAN. This is Mike Cramer?

Mr. LEDOUX. Yes.

The CHAIRMAN. C-r-a-m-e-r?

Mr. LEDOUX. Yes, sir.

The CHAIRMAN. What did they call him?

Mr. LEDOUX. Little man.

The CHAIRMAN. Little man.

What was the motive for sabotaging this hole or the system?

Mr. LEDOUX. Well, it was to prolong our work out there, prolong the job itself.

The CHAIRMAN. In other words, if they sabotaged it, it would crumble in and you would have to dig it out, and then you would have to refreeze it again?

Mr. LEDOUX. That's right. They sure would have.

The CHAIRMAN. I see. Do you agree that it took a long time to get that repaired?

Mr. LEDOUX. Yes; it would have taken a good while.

The CHAIRMAN. Mr. LeDoux, would you identify for us any extracurricular activities that the operators were involved in during normal working hours, things that did not really apply to their work?

Mr. LEDOUX. Barbecues, playing cards, drinking, playing more cards, sex.

The CHAIRMAN. As I understand it, in addition, they installed eating facilities on the——

Mr. LEDOUX. Yes, sir.

The CHAIRMAN [continuing]. Operators' shack?

Mr. LEDOUX. That's right. We had some hot plates, had a hot box in the mechanics' little room where we had our parts. It would be called a part room.

The CHAIRMAN. Was that part of your job contract?

Mr. LEDOUX. No, sir.

In fact, you are not supposed to have any kind of heat, anything to heat food or cook food at all; no coffee pots, nothing; no cold drinks.

The CHAIRMAN. You said, in addition to playing cards, drinking alcoholic beverages, I take it, barbecues, basketball, installing eating facilities, they had sex on the job?

Mr. LEDOUX. Yes, sir, I caught a fellow a couple of times out there, him and this young lady, and I likely scared the hell out of them, to be exact. [Laughter.]

I found out who they were. After that, they started being a little more discreet about it.

The CHAIRMAN. I see. Is that the only instance that you found out about?

Mr. LEDOUX. Sir?

The CHAIRMAN. Was that the only case you found out about?

Mr. LEDOUX. Well, it was common knowledge after that—we knew they would be somewhere. I mean, they would come up missing, this operator and this carpenter.

The CHAIRMAN. Just these two?

Mr. LEDOUX. Just these two.

The CHAIRMAN. OK.

Mr. LEDOUX. That I knew of. Other than that, no, I didn't catch any of it.

The CHAIRMAN. Was it a common practice for other operators to perform sexual activities on the jobsite during normal working hours?

Mr. LEDOUX. Well, I knew a couple of them would go out in the parking lot sometimes. They couldn't get their girlfriends inside, so they would go out in the parking lot. The timekeeper let them go out there, and he would do what he had to do and then he would come back in.

The CHAIRMAN. What about the operators' shack? Wasn't that specially rigged up——

Mr. LEDOUX. Other than what I just finished telling you about, I caught this operator and this girl in one of our shacks; I was looking for something. That was the way I found out they were in there, because they had the door locked.

The CHAIRMAN. I see.

The windows were painted black, as I understand it?

Mr. LEDOUX. Sir?

The CHAIRMAN. The windows were painted black on the operators' shack?

Mr. LEDOUX. I still can't understand you, sir.

The CHAIRMAN. Were the windows painted black on the——

Mr. LEDOUX. Yes, sir, the windows were painted black. It was for the fact that they didn't want people to see what was going on inside.

They also used the building for sleeping, for playing cards.

The CHAIRMAN. Well, how did these operating engineers have enough time to play cards, basketball, drink, and do all these other things?

Mr. LEDOUX. Well, there was just a few of us that were actually doing the work. The rest of them were sitting playing cards.

Junior Carlock, that is all he ever does, play cards. He plays poker. They'll play gin rummy. They'll play Bou-Ray, which is a Cajun game. That's all they do. The rest of us has to go out there and work.

The CHAIRMAN. And, yet, they receive full pay?

Mr. LEDOUX. That's right.

The CHAIRMAN. I want to thank all four of you for appearing today. You back up really what we showed in the earlier hearing about 3 months ago. I think it is time that we get something done down there and get this mess cleaned up.

I take it that is why you have been willing to come here and testify and take the criticisms that you will, both within and outside of the union, and from these people who have tried to intimidate contractors, as well as yourselves.

I assure you that I will do everything I can to get the FBI to fully investigate this and the Justice Department to fully prosecute these things that are wrong.

What really bothers me, to be honest with you, is that we have held hearing after hearing on some of these things and nothing ever is really done.

I will say this: The Labor Department in the case of the culinary workers, where we proved the case, and were criticized again for holding the hearing, they went in and got a judgment of $38 million for the culinary workers, minimum wage workers really, who were being ripped off by racketeers.

We are hopeful that we can resolve this problem down there in Lake Charles. I know it is a beautiful area. I know it is a wonderful State, and it deserves not having this type of activity going on.

You fellows deserve not having to put up with this kind of junk in your worklife activities. You deserve to be treated honestly, and you deserve to be treated honestly not only by the unions, but by the contractors who are involved as well.

This mess, this cesspool, has got to be cleaned up. I think this country owes you all a debt of gratitude for being willing to come in here and testify.

This testimony, I am sure, will be reviewed by the FBI, which I assure you is doing a good job in this matter. Hopefully, we will get to the bottom of it.

Your testimony has been very important. We understand how important it is, and we also understand how difficult it has been for you to come and give this testimony.

With that, hopefully, we will get this brought to some sort of a successful conclusion, so that honest workers who have earned the right to work, who have their union cards, who know how to do the work, will do it and help produce construction that literally will create more jobs because it is being done at a reasonable rate, instead of overextended and overcost rates that, really, you have been describing here today.

I just hope that we can get your story out. It is important that we do. It is important for every worker in America, every union worker in America, most of whom are very honest, decent people, and most unions are very honest, and most union leaders are. That is why we just have to root out these ones that are corrupt and get rid of them and replace them with people who are honest.

Now you people, to the extent that that will occur, it will be largely because of the courage that you have shown. I personally just want to tell you how much I appreciate it as chairman of this committee.

With that, we will recess this committee—

Mr. TYNES. May I speak for one moment?

The CHAIRMAN. Sure.

Mr. TYNES. I think it would be important for you as chairman to know that myself, Ms. Blackwell, and others had dinner with Mike Forscey, who is the minority counsel on the committee.

The CHAIRMAN. That is right.

Mr. TYNES. In particular, Mr. Forscey mentioned that he was very supportive of the effort of the FBI and Justice Department to continue the investigation and he was hopeful that they were doing as they had promised at the last hearing, but he also mentioned that he did not feel at this point in time he could speak for the minority as being necessarily in favor of taking any compulsory measures to gain union records or to gain evidence that would be in a documentary form that would be very, very revealing and further verify and substantiate what we have heard.

The CHAIRMAN. In other words, he indicated to you personally that he is not sure they would support the necessary subpoenas to get these records?

Mr. TYNES. That is correct. I was just asking if you feel that is a viable possibility or whether you, as chairman, might bring some pressure to bear on him as minority counsel and Senator Kennedy and some of the others to attempt to ask the international union simply to produce this; and, further, as Mr. Lovett requested, ask J.C. Turner to start an international union investigation to parallel the committee's.

The CHAIRMAN. I think we can follow up on both of your requests. I am willing to ask. If worse comes to worst, I am willing to put it on one of our markup dates. The problem is we only have one more markup date that I know is going to occur. Maybe we can put it on there.

Mr. TYNES. Fine.

The CHAIRMAN. But we ought to literally get these materials. I am hopeful that the FBI will do that for us, because I think we have exposed this problem and we are hopeful that they will go ahead and do it. That may be what Mr. Forscey meant. However, we have had some difficulty getting subpoenas in prior investigations and getting the committee together to be able to do that, although in each case ultimately I have been able to get the subpoena or at least have been able to get commitments for the subpoenas that we have needed, but it has taken some push from time to time. That bothers me a lot, because I think we have not only made out a very good case, but you people have risked a great deal to come here to testify, and so have the people who were here at the prior hearing. I just want you to know that.

Thank you for bringing that to our attention.

With that, we will recess this committee until further notice.

[Whereupon, at 12:35 p.m., the committee recessed, to reconvene subject to the call of the Chair.]